DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

THIRD SESSION—FOURTEENTH PARLIAMENT

14-15 GEORGE V, 1924

IN SIX VOLUMES

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VOLUME CLXI

COMPRISING THE PERIOD FROM THE FOURTH DAY OF APRIL TO THE TWELFTH DAY OF MAY, 1924, INCLUSIVE



OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1924

CANADA

House of Commons Debates

OFFICIAL REPORT

Friday, April 4, 1924

The House met at three o'clock.

UNITED CHURCH OF CANADA

Mr. HERBERT MARLER (St. Lawrence-St. George): I beg to present the petition of the Presbyterian Church Association branch for the synod of Montreal and Ottawa protesting against the passing of an act for church union.

SELECT STANDING COMMITEES

MINES, FORESTS AND WATERS—INDUSTRIAL AND INTERNATIONAL RELATIONS

Right Hon. W. L. MACKENZIE KING (Prime Minister) presented the report of the special committee appointed to prepare and report, with all convenient speed, lists of members to compose the select standing committees on mines, forests and waters, and on industrial and international relations, as constituted by the House on Thursday, March 27, as follows:

No. 10

ON MINES, FORESTS AND WATERS

Messieurs:

Arthurs,
Bird,
Black (Yukon),
Boucher,
Carroll,
Carruthers,
Church,
d'Anjou,
Davies,
Dechene,
Desaulniers,
Dickie,
Forrester,
Garland (Bow River),
Gendron,
Hanson,
Hunt,
Kelly,
Kennedy (Kenora),
Knox,
Lanctot,
Lapierre,
Logan,
Macphail,
Manion,
McBride,
Michaud,
Munro,
Pelletier,
Power,
Roberge,
Ross (Kingston),
Spence,
Stewart (Argenteuil),
Stork,
Ward, and
Warner.—37.

And that the quorum of the said committee do consist of 10 members.

No. 11

ON INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs:

Black (Halifax),
Cahill,
Caldwell,
Cannon,
Carroll,
Denis (Joliette),
Deslauriers,
Drummond,
Finn,
Gervais,
Graham,
Grimmer,
Guthrie,
Healy,
Hoey,
Johnston,
Kennedy (Edmonton),
Ladner,
Lapointe,
Macdonald,
Malcolm,
Marcil (Bonaventure),
Marler,
McDonald,
McKillop,
McTaggart,
Morin,
Murdock,
Prevost,
Rinfret,
Stewart (Hamilton),
Tolmie, and
White.—33.

And that the quorum of the said committee do consist of 10 members.

Mr. MACKENZIE KING moved that the report be concurred in.

Motion agreed to.

THE BUDGET

On the Orders of the Day:

Sir HENRY DRAYTON (West York): I wonder whether the Acting Minister of Finance (Mr. Robb) is able to tell us to-day when the budget will be delivered. Will it be next week or the week after?

Hon. J. A. ROBB (Acting Minister of Finance): I hope to deliver it not later than the Tuesday immediately preceding the Easter adjournment, although I should like to bring it down a little earlier than that. However, I will let my hon. friend know on Monday.

Sir HENRY DRAYTON: There are so many people interested in the budget disclosures that it is generally considered necessary to give from five days' to a week's notice. It is only fair that those who are interested should know fairly well in advance, and I would ask whether the budget is likely to be brought down next week.

Mr. ROBB: I will give my hon. friend a definite reply on Monday. It is possible that it may be next week.

PENSIONS UNDER CALDER ACT

On the Orders of the Day:

Mr. C. A. GAUVREAU (Temiscouata): Will the Prime Minister (Mr. Mackenzie King) say whether there is any foundation for the despatch sent from Ottawa to La Patrie, Montreal, to the effect that after March 31 no civil servant will be granted a pension under the Calder Act unless he has resigned before that date?

Right Hon. W. L. MACKENZIE KING (Prime Minister): This is the first intimation I have had of the despatch in question and I know of no foundation for it. I should not like, however, to reply to my hon. friend without having an opportunity to look into the matter. I will let him know on Monday.

REDISTRIBUTION

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): What progress has been made in the establishment of the committee on redistribution? Considerable time has gone by now and we have a mountain to climb in this direction which we should now be scaling.

Right Hon. W. L. MACKENZIE KING (Prime Minister): There has been some conference between the whips as to the size of the committee, and there has been a little difficulty in securing a general agreement on the matter. I understand that a committee of the same size, and probably of the same personnel, as that of last year may now be named. I hope on Monday to be able to give to the House the names.

SUPPLY

DEPARTMENT OF THE INTERIOR

The House in Committee of Supply, Mr. Gordon in the chair.

Department of the Interior—
Expenses connected with the Dominion Observatory at Ottawa, $50,000.

Mr. MEIGHEN: I did not expect that the estimates of the Department of the Interior would be taken up to-day. The Interior estimates have not been called on Monday, Tuesday or Wednesday as yet. Heretofore I have always agreed, but we are not in a position to do so now. I did not know until to-day that the government had mentioned Interior estimates. Certainly they have no right to go into them to-day.

Mr. STEWART (Argenteuil): The announcement was made on three occasions, but the right hon. member is perfectly correct: The Interior estimates have not yet been in committee.

The CHAIRMAN: The Interior estimates will not be proceeded with on account of the objection.

Item stands.

DEPARTMENT OF AGRICULTURE

Agriculture—Entomology, $25,000.

Mr. GOULD: I notice there is a reduction of $5,000. In this department there is a wonderful field for knowledge; much can be done in the way of entomological research work to educate the people along proper lines, and I have wondered why the minister would cut this down by the amount mentioned in the estimate.

Hon. W. R. MOTHERWELL (Minister of Agriculture): This does not mean that the activities of the branch will be lessened. This appropriation is merely for the Ottawa staff and equipment. The staff will be found over the Birks building on Sparks street. It is hoped a slight reduction may be obtained without any curtailment of the activities which come under the next item, which has to do with what, I think, my hon. friend is interested in. It has been thought that possibly we can reduce this appropriation by not extending the number of specimens as actively as we have done and not putting out so much literature. There is a good deal of criticism about the quantity of bulletins issued, much of which it is said is not read. Something may be said in that regard, but, I hope that class of work will continue, although it may not be as pronounced as in the past.

Sir HENRY DRAYTON: In view of the ruling of the Chair the other day that when we move to strike out any portion of a vote, we cannot show what the object of the motion is, I am inclined to think we shall have to ask that the resolutions be printed differently, so that we may know exactly what we are doing. In the meantime, short of that, short of having proper information, and in view of that ruling, I now ask the minister to let us know, first, what is the object of this vote, who gets the money and what it is for; and second, how much was spent last year.

Mr. MOTHERWELL: Since I have to some extent answered the question, if I confine myself to the memorandum I have, that will be more concise. These are the specific purposes:

Printing bulletins, circulars, leaflets and reports.
Stationery, printing and bookbinding.
Apparatus, scientific supplies and field equipment.
Under this heading is included an amount to purchase further insect cases, drawers and steel cabinets for the national collection and divisional working collections of insects.
Maintenance of library, periodicals and books, general supplies, chemicals, etc.

A slight reduction in the amount of each one of these items, we think, will bring about the reduction in the whole appropriation. A considerable amount of this is spent in what we call trays or drawers in which the entomological specimens are mounted. A good deal of care is required in collecting and having them properly mounted and established in these cases, and then they are

put away in casings for the purpose of reference and identification. The principal saving, however, will be in the bulletins, and there will be a little slackening of the work wherever that can be accomplished without neglect of the outside service which is dealt with in the next item. This item has nothing to do with salaries; it has to do simply with the maintenance of the office in connection with these specimens, bulletins and the various other items to which I have referred.

Sir HENRY DRAYTON: If I followed the minister correctly, this is to enlarge our collection of bug species.

Mr. MOTHERWELL: No.

Sir HENRY DRAYTON: To put them in the trays. If it is not, perhaps he will tell us what it is.

Mr. MOTHERWELL: Not to enlarge the collection. It is for the purpose which I have indicated. If there are any particular specimens of insect life that are infesting our crops or orchards, of course they will be added to our collection. But we hope to curtail the activities in whatever particular branch of this appropriation we can without affecting the field work which is taken care of in the next item. I do not know why this item was inserted in this way. It was here when I took office and I have often wondered why it could not be merged with the next appropriation, because it is confined entirely to the office and its equipment and supplies in the city. I suppose this was done to separate the Ottawa activities from the outside.

Sir HENRY DRAYTON: Then no more bugs will be put into the collection unless the minister finds fresh bugs?

Mr. MOTHERWELL: Practically so, not necessarily.

Sir HENRY DRAYTON: What else is to be added?

Mr. MOTHERWELL: There might be some of the old of which we have not sufficient specimens on hand, or some of the old ones might escape, or something of that kind, —or some other contingency might occur.

Sir HENRY DRAYTON: Some of the old ones might escape, or something of that kind. But how many does the minister think make a full hand in any line of insects? What is he trying to get?

Mr. MOTHERWELL: My hon. friend shows a laudable desire for information, so I will tell him. We have been patrolling the frontier in the southern part of Quebec for the past number of years to ward off an attack of what we call gypsy moth. In the event of any of those being discovered on the Canadian side—I presume we have some specimens of them—we will immediately proceed to institute quarantine proceedings that will restrict the infested area, and we will endeavour to exterminate the pest. Of course we shall have to have mounted specimens for that. It is the business of the department to run any new infection to ground, to death, if we can, and naturally we want specimens for identification and scientific purposes.

Mr. FORKE: This seems a large amount of money to spend for cases in which to store away our dead bugs.

Sir HENRY DRAYTON: Dead?

Mr. FORKE: Yes, dead. They will not do any more damage. They are quite safe. I did not rise for the purpose of criticizing this appropriation, but it seems to be a large amount to spend for cases. The minister issued about two circulars that were really good in connection with this branch of the public service.

Sir HENRY DRAYTON: Out of how many?

Mr. FORKE: Out of a hundred probably. Those two were really good and of service to our farmers.

Mr. MOTHERWELL: I omitted to give the amounts of these items. The vote is allocated as follows: $11,000 for the first item, circulars, leaflets, etc.; $2,700 for stationery, printing, etc.; $5,880 for apparatus; $1,100, maintenance of library; $900, general supplies. I thank my hon. friend for what he says about the bulletins. I do not know what particular ones he refers to, but we try to make them as useful as possible.

Sir HENRY DRAYTON: The minister is to be congratulated in being right in two at most out of his one hundred circulars, and I have no doubt he is quite right also in thanking the leader of the Progressive party for that tribute to his efficiency. What are the details of the item of $5,000 for apparatus?

Mr. MOTHERWELL: If my hon. friend will pay attention this time, I will read them again. Scientific supplies and field equipment: under that head is included an amount for the purchase of further insect cases. The specimens are kept in little shallow drawers three or four inches deep, and they are pinned down so that they cannot get away even after they are dead. There is provision also for

drawers and steel cabinets for the national collection and divisional work in the collection of insects. If my hon. friend knows of any better way of disposing of these little creatures I shall be glad to have his suggestions.

Sir HENRY DRAYTON: How much is to be spent on the purchase of these receptacles for new insects?

Mr. MOTHERWELL: That will depend on the invasions to which we are subjected during the year.

Sir HENRY DRAYTON: That is all very well, but I understand that this vote is for the purposes of inside work. How much of this vote is for receptacles?

Mr. MOTHERWELL: It is very hard to divide the amount any more minutely than I have done, except to say that a certain amount of microscopic work is to be carried out.

Sir HENRY DRAYTON: My hon. friend seems determined to give me no information at all. I am asking how this $5,000 is made up. So far he has indicated that there are two items, first, the purchase of trays in which the insects are put, and, secondly, microscopical plant or instruments. If he cannot tell us how much he intends to spend on receptacles, will he tell us how much he intends to spend on microscopes?

Mr. MOTHERWELL: This work is fluctuating in its character and we have to be prepared for contingencies. We cannot tell anything more about the insect invasions than we can about the crop. A warm, early spring usually brings about an invasion of grasshoppers, for instance, especially if there is no frost to destroy the eggs or the young midgets. So I cannot say exactly how much we will spend, though I can give a rough estimate if that is desired.

Mr. MEIGHEN: I just want to say a word or two on the general policy. I have always, in office and out of office, sought to reduce to the minimum scientific work of this character inside—what one might call more or less ornamental work. I have no objection to outside work at all, and I also acknowledge that a certain amount of inside work is essential, but I do think it is overdone—and the redundancy is not confined to the Department of Agriculture; there is some in other departments as well. But I have always thought that the enthusiasm of officials, the desire to extend the sphere of their own work, results in the creating of elaborate scientific departments here, there and everywhere, and great collections of dead bugs instead of killing the live ones. Besides, we cannot in this country hope to rival the other big scientific institutions in this matter. We will get on far faster by availing ourselves of the scientific results achieved by great laboratories to the south of us than by seeking to plant in our own country pale, weak imitations of them. It seems to me that if we take advantage of the scientific results achieved in the big state institutions of the United States —and we get it all; it cannot possibly be kept from us—we can save a lot of money here at home and at the same time seek to get practical results in our own field. It is better to spend the money that way than in too much employment of scientific men in small laboratories in Canada.

Mr. GOULD: I was not so much interested in the $5,000 item which provided coffins for the dead bugs, although they would seem to be rather expensive. I wish to make one comment, however, with regard to the $11,000 item in connection with distribution of literature. I myself have been in receipt of many pamphlets from the Entomological department which did not particularly apply to the district in which I live. For instance, it was not particularly interesting, nor did I have time to study up, what might be the matter with the peach crop in Niagara peninsula. If the department is advised to send out pamphlets dealing only with matters indigenous to the parts of the country to which they go, I think we could save a lot of money. Is that item of $11,000 a smaller amount than was used for the same purpose last year?

Mr. MOTHERWELL: Yes, and the same applies to the next vote. Replying to my right hon. friend's (Mr. Meighen) criticism regarding the tendency of the departments to extend, I may say that that is why we are trying to reduce these appropriations—to counteract that tendency. He further suggests that instead of taking care of the dead bugs we should be killing the live ones. Well, they have to be alive first; we have to kill the live ones to get the dead ones. These specimens are caught alive, killed and mounted. Here is the subdivision of the item of $5,880 that my hon. friend (Sir Henry Drayton) asked for: Cameras, $300; microscopes, $700 to $800; laboratory supplies, $1,000; steel cases, about $3,500. That is as close as we can get to the details. As I said before, the use to which this money is put in each subdivision will depend wholly on the nature of the conditions next summer, and those we cannot anticipate.

Mr. GARLAND (Bow River): May I ask if the minister has not got at the present time sufficient microscopes in the department. If I understood him correctly, he has an item of from $500 to $700 for microscopes. That seems an extraordinary sum of money for that purpose.

Mr. MOTHERWELL: I have never bought any of this equipment myself, but I understand that amount will buy two or three instruments. This equipment is not for Ottawa alone, but for a number of laboratories all over the Dominion, some twenty in all.

Mr. GARLAND (Bow River): If the minister is reducing the work of the department surely they will require, if anything, less microscopes than formerly: Is there a need for new microscopes particularly, or is this sum required for repairs?

Mr. MOTHERWELL: I am afraid the hon. member did not listen very carefully. We are not intending to reduce the outside activities with respect to the curtailment of insect ravages. We are endeavouring to maintain and operate the office in Ottawa a little more cheaply, to the extent of $3,000.

Mr. TOLMIE: Would the minister tell us what action he has taken in respect of the importation of plants from the Old Country by mail? I understand there are some negotiations on whereby it will be possible to handle these through the post office.

Mr. MOTHERWELL: Just a few days ago we got through Council new regulations permitting plants to be sent through the post office. Formerly that was not permitted.

Mr. TOLMIE: Under what conditions will the inspection be made in the Old Country, and what will the fee be for the inspection?

Mr. MOTHERWELL: All inspections are made on this side, usually at the port of entry. The parcel will designate what it contains, of course. I think in the past all inspections have been made on this side. Not all post offices, but any large post office will be a medium through which the shipments can be made by mail.

Mr. FORKE: I understand there was an item of $822 for cases last year. To an ordinary man it seems almost out of the question that so much money should be spent annually on cases for preserving the new specimens collected during the year.

Mr. MOTHERWELL: If I had not seen this collection myself and the innumerable drawers and cases, I would have thought just as my hon. friend does. It would take hours to go through them all. It is a national collection.

Mr. FORKE: Is this simply for new specimens collected during the year?

Mr. MOTHERWELL: I understood from Mr. Gibson when I was there, that they are making a national collection for reference purposes. They are collecting not only new specimens, but are preserving all the insects that have been doing damage in Canada dating back for perhaps a quarter of a century. The collection is constantly being added to. Very frequently the specimens that were mounted formerly were not just as well preserved as they might be. It is a very delicate operation to catch these insects alive. They have to be carefully killed, and then they are mounted and preserved so that they appear in a natural condition. It takes quite a lot of money.

Mr. FORKE: I do not want the minister to misunderstand me. I realize that insects and different forms of fungus are perhaps the most dangerous menace we have, but the expenditure seems very large.

Mr. MOTHERWELL: It is expensive. The cases are of steel. I was reading up this question by an entomologist. I forget his name for the moment, and he made the prediction that the next great war would be against insect life and fungus growth. I do not know whether he will prove to be right or not, but I do know that as a community gets older, and particularly if you restrict yourself to the growing of one particular crop, providing food for one particular variety of insect, the insects will increase in number every year. We are fortunately exempt from many of the insects that infest the southern states, attacking almost every species of plant life in the farm and garden. We in this northern latitude are saved from a great many of those pests. Nevertheless, if we have a series of warm years, with an early spring, it is marvellous how new insects will pour into our country. The European corn borer, for instance, was quite unknown in Canada about five years ago, but I suppose there must be thirty counties in Ontario affected by the corn borer to-day.

Mr. RYCKMAN: What amount of the vote was expended last year?

Mr. MOTHERWELL: About ninety-five per cent.

Mr. MILNE: It seems to me that this development may not be exactly along the right line. I think that at this particular time we should get away from fads and fancies. We have insects and bugs that are of economic importance to agriculture, and I think it is to those that our entomologists should direct their attention. I think that in a good many instances the entomologists are inclined to fads and making a tremendous collection of bugs and insects that are of no economic value so far as agriculture is concerned. These steel cases are an indication of the line along which they travel. I notice from the Auditor General's report of two years ago that a sum of $2,000 was spent for cases, some steel, and some mahogany coffins for these bugs to lie in. This year we intend to spend $3,500 along the same line. I am not prepared to say exactly what the nature of the work that is being done is, but I am inclined to think that the entomologists are not directing enough energy upon insects that are of economic importance and are spending too much time on what might be called fads, such as that of getting collections together.

Mr. TOLMIE: Reverting to the importation of plants through the post office, I understand there were certain abuses with regard to inspection on the other side. Do I understand there is no more inspection in Great Britain?

Mr. MOTHERWELL: That is right.

Mr. TOLMIE: Through what ports on the Pacific will these plants be admitted?

Mr. MOTHERWELL: Victoria and Vancouver. We have just recently constructed a laboratory in Vancouver for that purpose.

Mr. TOLMIE: What progress is the department making with the corn borer? Is it gaining at all? Is it scattering into new territory, or is it still pinned down to those counties in Ontario where it existed a few years ago?

Mr. MOTHERWELL: Yes I notice it has appeared as far east as Kemptville. It is spreading into new territory, although in the older territory, for instance down in Essex county, I understand, restrictive measures have been employed with success, in co-operation with the farmers, and by cutting the ensilage corn at a different period, a great many insects have been destroyed going into the silo. Employing cultural methods, such as late fall plowing and deep plowing, are also considered to be quite helpful.

Mr. WHITE: What success has the department had in combating the corn borer by introducing parasites?

[Mr. Motherwell.]

Mr. MOTHERWELL: Nature can sometimes be helped out a little by supplying parasites for particular kinds of pests. For instance, the grasshopper has a parasite that I think is somewhat helpful in destroying it; the corn borer has a parasite; and we are helping to combat pests by the introduction of these parasites. In this particular case the experiment is so recent that we are not, as yet, able to tell the result. It is hoped, however, that the parasite employed will multiply itself rapidly and assist us in exterminating the pest.

Mr. FORKE: I want at this point to put in a good word for the birds, although it may seem a trifling thing to speak about the preservation of the birds out in the country districts. Also, I want to say a word for the elimination of the cat as far as we possibly can accomplish it.

Mr. HOCKEN: The pussy cat?

Mr. FORKE: Yes, the pussy cat. I repeat, it may seem a rather trifling thing to mention the little birds we find on our prairies, but they are the greatest insect destroyers and the greatest friends that the farmer has anywhere. I want to urge all the farmer members of this House to do all they can to preserve the bird life around their farms and their homes.

Mr. MOTHERWELL: Hear, hear.

Mr. SUTHERLAND: Would my hon. friend make any distinction between the species of birds? I understand an effort is being made at the present time in the United States to exterminate the crows.

Mr. FORKE: Well, I do not know whether the crow is to be regarded as a useful bird or not.

Mr. HOCKEN: What about the rats if we exterminate the pussy cats?

Mr. FORKE: It is rather a wide field of discussion to enter upon at the present time, but I assure my hon. friend that I would attach more importance to poison in getting rid of rats than I would to cats. Of course, the birds to which I refer are the insect eating birds. They are the species that I am anxious to preserve. Anyone who has studied this question and learns the number of insects that one insect eating bird will destroy even in a day realizes the importance of preserving the bird life of the country. Man is altering the balance of nature by destroying certain species of life. When you

destroy bird life of this character you give insect life a tremendous advantage and an opportunity to propagate. As has been already said, unless some check on the growth of insects is maintained, very soon all animal life would be destroyed. It is a very strong statement to make but it is true. And it is only by these checks of which I have spoken that insect life is kept within bounds. Bird life is one of the best checks on dangerous insects that we have and that is why I want to see it maintained. I do not desire to take up time unduly and will simply close with this statement: Anyone who lives in the country and takes an interest in bird life, in their habits and methods of living, will derive a knowledge that will make his life richer and happier.

Mr. TOLMIE: Can the minister give any information as to what measures have been taken to combat fire blight on the Pacific coast, or rather, west of the Rocky mountains?

Mr. MOTHERWELL: That is a matter that will be dealt with in the next vote.

Mr. LEADER: I do not know whether this is the proper place to bring up the subject of bee keeping or not. If not, I should like to know under what item the matter can be brought up. I have received a communication from my city to-day asking me to use my influence with the Department of Agriculture to prevent the importation of foul brood in bees. I want to bring that matter to the attention of the minister. The communication referred to is from the Portage la Prairie Bee Keepers' Association and it reads as follows:

> I have been instructed by the Portage Bee Keepers' Association to ask you to use your influence in having laws passed that will prevent the importation and spread of foul brood and other diseases among bees.

Has that matter been settled?

Mr. MOTHERWELL: That has been settled.

Mr. MEIGHEN: Does the minister mean that the importation of bees is prohibited now?

Mr. MOTHERWELL: Yes, We found that the very infectious and dangerous disease called foul brood was spreading very rapidly, especially in Ontario. I think the committee will recall that we voted $5,000 last year on condition that the Ontario government would also give a similar grant for the extermination of this bacterial disease. In order to bring about that desirable result we find it necessary, as a result of such requests as my hon. friend has just read, to prohibit importations of bees for the present until we can get this disease rounded up in our own country. I do not know how long the embargo will be maintained, but it will be kept in force so long as there is danger of infection from the American side, or from any quarter, because this is not confined to the United States, it is an European disease. I understand this embargo was put into effect a few years ago against Great Britain.

Mr. MILNE: I wonder could the minister give us any idea how much was spent in cases of this kind last year?

Mr. MOTHERWELL: While that information is being looked up we can discuss some other subject. Does my hon. friend mean the steel cases the insects are put in?

Mr. MILNE: Some of them are mahogany and some are steel.

Mr. MOTHERWELL: They have to be very carefully made and very close fitting, else these dead insects will be attacked by different species of life that succeed in getting through the crevices. For these reasons the making of these cases is very costly. However I will give my hon. friend all the information I possibly can.

Mr. TOLMIE: What work is being carried on in British Columbia in connection with the eradication of mosquitoes, particularly in the valley of the Fraser river.

Mr. MOTHERWELL: I understand we have one officer in the Fraser valley who is studying this problem, which is a very old problem as the hon. gentleman knows, and a good deal of the contagion is supposed to be attributable to that source.

Mr. EULER: Why this discrimination in favour of British Columbia?

Mr. CARROLL: Is the minister serious in stating that he is trying to exterminate the mosquitoes of British Columbia?

Mr. POWER: I protest that this ought to be combined with the Flying staff.

Mr. GARDINER: I have the Auditor General's Report ending March, 1923, and I would like to ask in regard to this expenditure. What is the reason for buying three sleeping robes? Is it to keep the bugs warm? There is an item for eiderdowns, three silk tents and two silk tents, and so forth. Why is it necessary to make expenditures of that description?

Mr. MOTHERWELL: I understand this comes under the next vote. In the meantime we will have the item looked up.

Mr. GARLAND (Bow River): I desire to have the information before the item carries. It is in the vote on entomology. The next item is "Administration of the Destructive Insect and Pest Act." I would like information as to the cost of building these mahogany cases. It appears that two years ago $2,000 was expended under this item. This year $3,500 is to be spent. Last year the item was unknown, but apparently the minister is going into it now. I think he will find that about $7,500 was spent the last three years for the casings for additions made annually to the collection of these bugs. I would like a little further explanation why these casings cost so much. Would it not be better to do it a little cheaper? Can we not do away with the mahogany and replace with soft wood, and do away with the steel?

Mr. MOTHERWELL: I understand these are very expensively constructed casings, because they have to be very tight and close-fitting. The hon. member asks why mahogany or why steel? Well, there are certain qualities in wood that in their very nature are repelling to insect life. That is one of the reasons, of course. My hon. friend has heard of cedar being repelling. I do not know as much about mahogany as I do about cedar, but I presume it is the same thing.

Mr. SPENCER: Which is the most expensive, mahogany or steel? Do you sometimes use one and sometimes the other?

4 p.m.

Mr. MOTHERWELL: Steel cases are more expensive.

Mr. GARDINER: What was spent last year on these cases?

Mr. MOTHERWELL: I understand, $2,014 was spent. We have no purpose in stacking up a lot of useless cases. A lot of this work is of such a character that unless it is done carefully it need not be done.

Mr. GARDINER: I find in this report there were 302 of these insect cases procured in 1923. That seems to be a tremendous number of cases for this particular purpose.

Mr. MOTHERWELL: We are adding a certain amount to it every year, in order to complete it.

Mr. MILNE: Can the minister give us any idea of what proportion of the money spent for entomology is spent on insects that are of economic importance?

Mr. MOTHERWELL: I understand about 95 per cent.

Item agreed to.

Administration of the Destructive Insect and Pest Act, $310,000.

Mr. HANSON: About how much was spent last year, and what was the nature of the work carried on in the province of New Brunswick? I understand the department has a small laboratory at Fredericton. Dr. Tothill is in charge of that. I should like to know the nature of the work done last year. Dr. Tothill is a very excellent official, and there is a very grave danger of losing his services to our friends to the south, unless he is properly remunerated.

Mr. MOTHERWELL: I understand the work of that federal laboratory was largely connected with the spruce bud-worm and brown-tail moth. There is a small provincial laboratory, just a little shack, where I think they were pursuing an investigation in connection with a fungus disease of the cactus apple-blossom. I do not know whether they thought we were not prosecuting the work sufficiently rapidly. I scarcely know why the provincial government took it up, but apparently the ravages of that little fungus were so great that they thought it necessary to do this additional work. I think the work could be merged. I understand the laboratory was located somewhere down town in Fredericton, and it was suggested it should be moved to the experimental farm. That is what they had in mind, I think. Well, it is like a good many other activities; we have not the necessary money to build a laboratory and move it to the experimental farm, where I think its usefulness would be almost double.

Mr. HANSON: About how much of a staff have you there, and what is the annual expenditure? And, now that the brown-tail moth and the bud-worm are no longer with us, to what are they directing their attention?

Mr. MOTHERWELL: The brown-tail moth attacks the apples.

Mr. HANSON: The hon. gentleman did not pay attention to what I said. Now that the brown-tail moth is no longer with us, and the spruce bud-worm has worked out his usefulness or its uselessness, what functions does the laboratory perform? Along what line of endeavour are they working. How large is the staff, and how much money has been spent?

Mr. MOTHERWELL: We are never at a loss to find some kind of insect life about us. I am sure after the brown-tail moth is done with, it will be the red-tail moth or something else.

Mr. HANSON: That may be an answer.

Mr. CAMPBELL: I notice the amount spent under this head in 1922 was only $182,000. Last year it was $214,000. Could the minister give us some information as to this.

Mr. MOTHERWELL: Because of the increase in insect ravages, all over the Dominion practically. There was a series of very dry years in the West—that is in the southern part of the West—which stimulated interest in these invasions over many parts of Canada. What with the bud worm, the brown-tail moth and the grasshopper there was a demand for increased activities, just as there is to-day for more extensive research work in connection with rust and other fungus diseases; and it is in response to that request that a greater expenditure is necessary to-day than formerly. I do not know that the vote should not have been increased this year, but we have kept it at the same figure in the hope that we may be able to carry on with the expenditure proposed.

Mr. MILLAR: Does the appropriation for the fighting of rust come under this head?

Mr. MOTHERWELL: This item has two sub-divisions, one with reference to fungus diseases, and the other, insect diseases. The insect diseases come under Mr. Gibson while the fungus diseases are looked after by Dr. Gussow, and that includes the rust. The principal activity under Dr. Gussow is the certification of seed potatoes. There are a large number of inspectors looking after that work, which has become of much importance especially in the Maritime provinces. Two inspections are necessary during the growing period, one after the potatoes are dug, and another before they are certified. After the potatoes are certified they are worth about half again as much as commercial potatoes. The work in which my hon. friend (Mr. Millar) is more concerned is the investigation of rust. The federal department under Dr. Gussow has been working with the provincial agricultural college authorities at both Winnipeg and Saskatoon. We supply the staff and the provincial authorities provide the ground in which to carry on experiments and to sow the grain, in addition to the greenhouses in which to conduct indoor investigational work. We have been making progress, and as the leader of the opposition has suggested, we are working to some extent in co-operation with the United States authorities in the matter of rust investigation. The people of the United States are just as much interested as we are in this matter, and perhaps more so. Similarly we are co-operating with the provincial authorities. I do not know that this is entirely the best way of dealing with the matter because sometimes our activities are somewhat circumscribed by the requirements of the provinces. But taking everything into consideration I think we have possibly secured more information during the last ten years with respect to this rust question than has been available in any part of the world previously. All the results achieved by research work in years gone by have not been equal in importance to the discoveries that have been made in this direction in the last eight or ten years. I am of the opinion, however, that if we in this generation are to reap any benefit from this work it will have to be speeded up, for there is a great deal still to be learned. The authorities in Dakota have made a valuable discovery at the experimental farm there in connection with Kota wheat; but inasmuch as that species does not resist all the different varieties of rust, and as it is not definitely known yet whether it possesses the necessary qualities from the standpoint of milling that make our wheat acceptable in the British market, there is a great deal of work ahead of us still before we can secure a variety of wheat containing all the characteristics of the best grain. Kota is not a product of cross-breeding; it is a Russian wheat produced by hand selection. There is not much known about it; but, the rust having become so bad in Dakota, a great many farmers are taking the risk of growing Kota, seeing that in any case they must run some risk with other varieties. When the votes under the Public Works department come up, the question will arise as to possible extensions of laboratory space for the purpose of expediting this class of investigational work. A suggestion has been made that possibly this work might be better done if it were taken in hand by the Research Council of which Dr. Tory is president, and one advantage in handing the work over to him would be that he would be free to choose his staff, which is an important thing.

Mr. MILLAR: This is a matter of vital importance to many grain growers, because in my opinion rust has caused more damage than all other pests put together. From the research work that has been done, does it appear that the only success so far achieved has consisted in the breeding of types of grain

that are rust-resistant? Or has success been met with in other directions?

Mr. MOTHERWELL: The invasions of the rust disease originate as a rule near the gulf and work north at about the same rate as the season, and there is no possible way of protecting the wheat from these spore attacks. These spores travel in the atmosphere four or five miles an hour against prevailing air currents, and the only way to offset their effects is to breed a plant that will sufficiently resist them. As there are all sorts of germ diseases against which the human body is immune only through the development of resistance, so in plant life we have to breed a type that will resist these attacks.

Mr. MILLAR: The minister said just now that more had been discovered in the last ten years or so in this matter than had ever been known previously. Can he give in concise form some of the discoveries that have been made recently, with particular reference to the cause of rust?

Mr. MOTHERWELL: I presume the hon member refers as well to the progress that has been made in combating this menace. We know that Kota wheat resists about ninety per cent of the forty different varieties of rust; in other words, we have a wheat that will resist thirty-six different varieties of this disease. Now, if we can develop the characteristics that are essential to good wheat, such as early maturity, quality, and prolific growth, together with a sufficiently sturdy straw, we shall have a splendid variety of wheat in this particular species. But this has not been demonstrated; it may take ten or fifteen years, and no man can venture to predict anything in this connection because there are so many sides to the question. For example, it is only within recent years that the discovery has been made that there are different species of rust, and since then to some extent experimenters have had to double back and start over again with that knowledge in view. Once you know your enemy and are familiar with his characteristics and his peculiarities you have made one great step in the direction of getting the better of him. And as I say, it is only within recent times that we have known of the existence of rust in different forms; formerly it was thought that there was only one variety of rust.

Mr. CALDWELL: Do the inspection and the certifying of seed potatoes come under this vote?

Mr. MOTHERWELL: Yes.

[Mr. Millar.]

Mr. CALDWELL: Has there been any complaint in regard to the physical grading of certified seed potatoes from the Maritime provinces?

Mr. MOTHERWELL: As regards classification, size and so forth?

Mr. CALDWELL: I am referring to size, shape and that sort of thing.

Mr. MOTHERWELL: Yes. While in the Maritime provinces last summer I had a conference with the potato growers' organization and there was some criticism of the fact that potatoes that were too large and those under two inches were excluded.

Mr. CALDWELL: That is not the complaint I am referring to. Let me give a concrete illustration of my meaning. A man in my riding, who lives quite near me, had somewhere in the neighbourhood of forty acres of potatoes, and he secured over four thousand barrels off this forty-acre field. They were inspected in the field, found practically free from disease and they were so certified. They were also certified as being all of one variety. That is told by the blossom on the potatoes while they are growing, or, at least, that is one of the indications. It is much harder to detect a difference of variety in the bin than it is in the field. There is a much better chance to check up any other varieties in a field of growing potatoes; there is not so good an opportunity in the bin. When however, this man came to market his potatoes—and it is one of the requirements in order to get a certification of the potatoes that they shall be graded under the supervision of one of the officials of the department—he was somewhat surprised, after having been grading for nearly a whole afternoon, with his own crew of four or five men and the inspector supervising the work, to find that only a few barrels of seed had been passed as certified. Although they were all of one variety and free from disease, if there was any little difference of shape, they were taken out. They had to be all of exactly one shape, and anyone who grows potatoes knows that such grading is an impossibility. This man said that he would not have had more than two or three carloads out of four thousand barrels, and he objected to having them graded under this inspection. He, therefore, had to forfeit his certificate of freedom from disease or that the potatoes were all of one variety. I do not know whether the minister has had any complaint of this kind or not, because this is only a recent occurrence.

Mr. MOTHERWELL: No.

Mr. CALDWELL: Within the last six months there has been formed what is now known as the New Brunswick Certified Seed-Potato Growers' Association, and this man of whom I have spoken is president of that association. It is made up of men who are large growers, who have had extensive experience in growing and marketing seed. I might say further that this man marketed this crop without the certification of the official of the department, and he got a good return for it. The man to whom he sold it did not demand that it be graded according to the inspector's ruling at all. He had seen the potatoes growing in the field during the summer; he knew that they were all of one variety and also that they were free from disease because he had looked over the field himself. He has told the officials of the Seed Growers' Association that he will not require this kind of grading. He took out the bruised potatoes and any ill-shaped ones, as anyone would do, but he did not demand that the potatoes be all of one size or of exactly one shape.

The method of inspection adopted is going to hamper our seed growers, especially in view of the fact that we hope to get a reduction in the freight on certified seed potatoes. I hope and I believe that we will get that. If, however, the potato growers do not comply with this grading, they do not get the certificate and, therefore, they will not get the reduced freight rate. While I am aware that we cannot settle this matter here to-day, I should like the minister to consider it, and to have representatives of the Seed Growers' Association meet officials of the minister's department who have charge of this work, so that they may go into this matter, because I know the Department of Agriculture does not want to impose any regulations or restrictions that will do an injury to any industry of that character.

Further, I think certified seed growing, is the only future of that industry in the Maritimes. Owing to the Fordney tariff we are shut out of the United States market for table potatoes, because the price we can get for that stock will not pay the duty and transportation charges and leave the farmer anything. On certified seed, however, the case is different. I think the minister was well within the mark when he said that certified stock was worth half as much again as table stock. I think he would have been safe in saying that it was worth twice as much. We can get a good price for that class of potatoes. The duty is not an ad valorem duty, but so much a hundred, and we can pay the duty and ship the seed to the United States. We have a permanent market in the southern states for all the seed we can supply; in fact, we have never been able to supply the demand. There are several reasons for that which I will not take up the time of the committee at present to state. But I would like the minister to consider my suggestion and arrange to have officials of his department meet some of the certified seed growers of the Maritime provinces and go into this matter of final inspection and grading. We are well satisfied with all the other features of the inspection.

Mr. MOTHERWELL: We have no record of the complaint which my hon. friend has spoken of, but I might draw his attention to the fact that there are three inspections, no two of which are in themselves sufficient. There are certain diseases determinable only when the potato is graded. My hon. friend knows a number: for instance, blackleg, rot and blight. The very fact that there is a third inspection called for when the potatoes are in the bin shows that there is a possibility of the potatoes not passing the bin inspection when they have passed the growing inspection. The scab is a variable disease. Sometimes it is very pronounced, and sometimes it is loose scab, which is really not scab, but which at the same time a buyer thinks is scab. Then there is dry rot.

Mr. CALDWELL: Possibly the reason why the minister has not received any of these complaints is that the regulations were put into force only last year. I have had mine inspected for a number of years until last year, and the inspection was a bin inspection. The inspector came to your bin, looked the bin over, handled the potatoes, and decided whether they were all right or not. Last year there was a physical grading. When you were bagging them to load, the inspector superintended the grading and you had to grade them according to his regulations. That is what the potato growers object to. They do not object to the bin inspection, nor to the field inspection, which they consider all right.

There is one other point which I would like to draw to the notice of the minister, and which I think I pointed out last year. We have in New Brunswick certain dealers, shippers, who are not growers of potatoes, who will buy good-looking potatoes, put them into their bins and select them. This is what they call select seeds. They grade these and they get their own certificate printed marked, "Certified Seed Potatoes", although they are not certified by anybody. This was done a good deal, and I believe it

is being done again this year. We would like to have this matter looked after very sharply. Our buyers who are buying high-priced certified seed, getting it inspected and certified, and who have worked up a good trade for this in the southern states, where we have a permanent market, do not want potatoes sold as seed that are not certified and that may possibly have disease. There are certain diseases, the minister says, you must find when the potato is growing, you cannot find them in the bin. You can find some diseases in the bin, but very few. Potatoes of this class are shipped to the people to whom we are selling, and the man who buys them is led to believe that the stock is government certified stock when it is not. The certificate reads, "Canadian Certified Seed Potatoes" but it does not say who certified them. The people plant these potatoes and they may grow a diseased crop. In that case they will say that the Canadian certification is no good. This will discredit the whole thing from start to finish; it will nullify the work of the department in every particular. This is something that we who are really getting our potatoes certified want to put a stop to. It is ruining our seed trade. We have a steady market there, but this kind of thing will very readily undermine it and give us a very bad reputation.

Mr. HANSON: The hon. gentleman (Mr. Caldwell) has made a very serious charge against the potato dealers of New Brunswick. He has said either too much or too little. I am not sure which. I never heard of any such charges or of any such modus operandi on the part of dealers—and they are practically all in his own county—during the past two seasons when certified seed potatoes have been grown in New Brunswick. I want to call attention to this fact so that it will be heard down in New Brunswick by some of the hon. gentleman's own friends in the seed potato business and in the potato business generally.

Mr. CALDWELL: Does my hon. friend deny that this thing has been going on?

Mr. HANSON: I never heard of it before.

Mr. CALDWELL: I can prove it.

Mr. HANSON: You may be called upon to prove it by some of your own friends down in that community.

Mr. CALDWELL: I am perfectly ready and willing to do so.

Mr. HANSON: All right. I am making these remarks so that the matter may be emphasized and attention called to it in the community that is interested. What I really rose for was to ask the minister this: In view of the fact that the potato business is such an important business in New Brunswick, why is it that the position of plant pathologist at Fredericton has been vacant for a year or more, at all events ever since the resignation of Mr. Cunningham? The work is being done by a young man who is a graduate of the University of New Brunswick, and although he is qualified for the position I understand that the department has refused to accept his services.

Mr. MOTHERWELL: My hon. friend has raised a very important question. The salaries of these technical men are much too low; in fact they are so small that when the positions are advertised desirable persons are not attracted to them. Engineers and a great many other services are classified very much higher than technical men of this description. The result is that you get applications for the higher salaried positions and you do not get them for the lower ones. That did not start recently; it started away back when these men were taking their college courses and it was a factor in inducing them to choose some more remunerative vocation. To-day we have a number of positions such as my hon. friend has described and we have practically no applications for them. The person to whom my hon. friend particularly refers was not eligible for the position.

Mr. HANSON: I cannot agree with that, because I know the circumtances. When the position became vacant by the resignation of Mr. Cunningham and was advertised by the Civil Service Commission I received a circular in connection with it and I immediately sent it to the young man in question. He is the man who has been doing the work. He acted first as assistant to Mr. Cunningham for a number of years; he has grown up in the business, and if there is any merit in the principle of promotion in the Civil Service, here is a case where that principle should be invoked. I am informed that he applied for the position but that the department refused to accept him, although he has continued to do the work. He is a New Brunswick boy—it is not necessary to send a man in from Ontario or from the United States. A man was sent in from the United States; he looked the situation over and apparently did not like the climate or the society, because he did not stay. I do not know who brought him there. I do suggest to the minister that he give that position to the young man now doing the work, who knows the ground, who is thoroughly qualified professionally and technically and who, I believe, would make a first-class official.

Mr. MOTHERWELL: This young man naturally wants promotion, but he has not the post-graduate work, as I understand it, and the result is that he is not eligible for the higher position. We are making the best use we can of his services; I suppose it is better to have him there than to have no one. It just shows how far short these examinations are; he may be a better man than someone who would qualify by examination.

Mr. HANSON: Is it necessary that he should have a post-graduate standing, after taking the university degree in science and having nearly ten years' practical experience in the work? That is the fact, and I think he has every qualification except that of post-graduate work. I do not recall any reference in the circular to the requirement of post-graduate work, but I am subject to correction on that point. I may add that there is not an iota of politics in this matter; I do not know how the young man votes, and I do not care, but I would like to see justice done to him, because the principle of promotion in the service is at stake. From what I have heard he is doing the work in a reasonably satisfactory way; beyond that I would not like to go. The matter is worthy of the minister's consideration.

Mr. MARTELL: Who determines these qualifications? I quite agree with the hon. member for York-Sunbury (Mr. Hanson) that sometimes qualifications are prescribed which are absolutely non-essential. We are getting too far into this academic business. The minister suggested this afternoon that when men found they could not get very much pay in certain lines of activity they took up other professions or occupations. There are members of other professions—engineers, lawyers and doctors—who are not half as well paid as some of the so-called agricultural experts with which the minister and previous ministers, backed up by the Civil Service Commission, have been filling the country. We have too many people who are faddists and we have too many fads. I have no reason whatever to set myself up as an expert in agricultural matters, because I am not; I know very little about it. But I can get any number of practical farmers in the county of Hants who will teach him and a whole lot of his experts a good many things, in spite of their academic qualifications.

Mr. HANSON: I would not like to agree that it is not necessary to have a plant pathologist in New Brunswick, especially in view of the magnitude of the potato business and the number of enemies that the potato plant has. All I am asking the minister is to look into one particular case, and I believe that if he gives it his personal attention and also if the deputy minister will be good enough to look into it, they will feel like doing justice to the young man to whom I refer.

Mr. MOTHERWELL: The qualifications called for in appointments of this nature are agreed upon between the Civil Service Commission and the head of the branch concerned. They have thought—wise or otherwise—that the qualification of post-graduate work should be possessed by applicants for this position, and I am free to admit that a man who has had five or ten years' practical experience might be an infinitely better man, but you cannot change these qualifications every time you advertise.

Mr. HANSON: They are not like the laws of the Medes and Persians, or like an act of parliament; they can be changed as occasion requires, by order in council.

Mr. MOTHERWELL: So far as this gentleman's political complexion is concerned, we have enough trouble finding out his qualifications and looking after other matters without going into that. I do not know his politics from Adam's.

Mr. HANSON: I only mentioned that because I did not like to have it thought that I advocated justice to this young man simply because he was a supporter of mine. I have not any idea what his political professions are.

Mr. SUTHERLAND: How is it that these officials are appointed by the Civil Service Commission? Are they temporary appointees? How is it that they do not appear under the head of Civil Government?

Mr. MOTHERWELL: The civil government note takes in only the staff in the city of Ottawa.

Mr. SUTHERLAND: Would the minister inform the committee how many are engaged in the work provided for in this item? I notice that in 1920-21 the item was $140,000 less than the vote the minister is now asking the committee to pass. That is quite a considerable increase, considering the work that is being carried on. In so far as my observation goes, I have seen little evidence of the activities of those engaged in this work. When the minister was speaking of

what was being done to control the corn borer he said that once you get it in a silo it is all right. But people can put their corn in a silo without paying government officials. Would the minister tell us how many officials will be paid out of this item?

Mr. MOTHERWELL: I understand there are about forty.

Mr. SUTHERLAND: If there are forty officials engaged on the administration of the act, what uses up the balance of the item? I think this information might be given in detail. It would facilitate the passing of the item and eliminate a good deal of the discussion.

Mr. MOTHERWELL: Outside of the vote for live stock, the great bulk of the estimates for agriculture is for educational purposes, disseminating information throughout the country; for instance, under this item, information with respect to insect and fungus pests. There is only one medium through which we can do that work, apart from bulletins, and that is through men and women, and therefore a large amount is set aside for salaries. It is through this medium that the information is disseminated throughout the country. We have altogether something like forty or fifty inspectional services. You cannot disseminate this information by radio or long distance telephone; it has to be done through appointments, and, of course, through bulletins. If there is any other way of doing it, I do not know what it is.

Mr. GOULD: Reverting again to the question of rust, I was very much interested in the information the minister gave to the committee, and in his remarks as to the manner in which the spores may be carried against a current of wind. As the minister was speaking, I recollected reading a pamphlet issued by the state of South Dakota dealing with rust in wheat. In that pamphlet is described an experiment that was carried on by the state, in one township which was suggested. The barberry bush I believe is held to be the main source if not the genesis of the rust spore. The first step in this experiment was to destroy all the barberry bushes in the segregated area. Then it was sown with wheat. One particular township where the barberry bush was known to exist was also sown with wheat without destroying the barberry bush. The result showed a return of $12,000 more in that segregated area where the barberry bush had been destroyed. I do not know whether the barberry bush is, scientifically speaking, indigenous to our western country, and I wondered if the department has found out whether our rust comes from this bush, or whether it is carried through the air by wind from the southern states where the bush is found.

Mr. MOTHERWELL: The barberry bush is not thought to be the real source of rust, although there is no doubt whatever that you would have more rust in the immediate vicinity of barberry bushes. It acts as host between the two periods of the rust, and as a result you may have more rust in an area where there are barberry bushes than elsewhere. This discovery about the barberry bush was made over a hundred years ago in Europe; they have been aware of it in France and other parts of Europe for a very long time. They just knew it happened that way, but they had not worked out the real philosophy of the thing. Consequently, they started to destroy the barberry bushes believing that somehow or other they had something to do with rust. While that theory has been confirmed in later years, the barberry bush is now thought to be a source of contagion only to a very limited extent. I know that in the western provinces, in Manitoba, as well as in Ontario, they have issued instructions from the agricultural college to have these bushes exterminated because conditions have got so bad. While they did not think it was the chief source of contagion, they thought they would take no chances, and so they ordered the destruction of the barberry bush. Most authorities do not now consider it to be the chief source of contagion. I can recall as a youth that we had rust in Ontario, when winter wheat used to be a more general crop than it is now. All we knew then was that we had a sort of weather called rusty weather, with intermittent sunshine and showers, murky, calm weather, which seemed to develop rust. We know now that there are forty different varieties of rust, and when you have beaten out thirty-nine varieties, you have still one left to conquer. That is what makes this problem so difficult. It requires a good deal of patient attention because it may take several years to evolve a solution.

Mr. WARNER: Has the department any definite information, or any opinion even, as to whether rust would be carried over from one year to another in the seed, or whether it can live over in the land? Would it help any to put some other crop in the land after rust had been on the ground?

Mr. MOTHERWELL: Rust is not carried by the seed nor in the land. It may be carried over by some grasses. If a disease

like that has not the natural host plant available, it will fasten on something else. Some western grasses are thought to act as intermediary hosts—rye grass, for instance, although that has not been proved. Rust will not carry over in the seed or in the land; if it were you could treat it.

Mr. CALDWELL: In view of the fact that the hon. member for York-Sunbury seems to doubt that shippers have been putting tags on potatoes that were not justified by the act, I would ask the minister if his department ever had any complaint of this kind. Has the minister ever seen any of the tags?

Mr. MOTHERWELL: I understand that we had sufficient evidence of it last year that we inserted a proviso in the regulations making it an offence.

Mr. CALDWELL: Has the minister ever seen any of the tags?

Mr. MOTHERWELL: No, but I understand my deputy has.

Mr. SPENCER: I was interested to hear what the minister had to say with regard to the destruction of the barberry bush. Is it not a fact that there are barberry bushes at the Experimental Farm at Ottawa?

Mr. MOTHERWELL: Yes.

Mr. SPENCER: Why have they not been destroyed?

Mr. MOTHERWELL: We are not bothered with rust. We do not grow very much wheat around here. We do some experimenting with wheat but it is not the big crop, and besides we are not affected by rust.

Mr. BLACK (Huron): Does the minister not find that rust in oats in Ontario is as bad as rust in wheat in the West?

Mr. MOTHERWELL: There is a lot of rust all over the country. The rust in oats my hon. friend speaks of is a different rust.

Mr. CALDWELL: With regard to rust or blight in potatoes does not the plant pathologist find that the near proximity of the old-fashioned rose bush affects potato fields? Has there been anything of an educational character carried on along this line among the potato growers? I have understood from our plant pathologist in New Brunswick that this was considered both by United States and by Canadian authorities to be one of the places where the blight or rust that attacks potatoes lurks.

Mr. MOTHERWELL: I think it is a common belief when you know a thing exists that it is due to some influence close at hand, just as the invasion of rust has been attributed in the past to these barberry bushes. With regard to rust or blight in potatoes, it is not known in even a small degree that the rose bush is the medium.

Mr. CALDWELL: Is the minister sure of that?

Mr. MOTHERWELL: I am not sure.

Mr. CALDWELL: I think if the minister will consult Dr. Gussow's branch he will find a record there of the research work that has been carried on. Our own plant pathologist in New Brunswick believes this, and the belief is entertained as a result of research work carried on in the United States. We have meetings of the pathologists of the United States, including pathologists from the state of Maine which is near us, with our own plant pathologist in the province of New Brunswick, and that seems to be their opinion. I may say that Mr. Cunningham, who recently resigned the position of plant pathologist in New Brunswick, is a very excellent scientist. I was very sorry indeed when he resigned from the position. He did more, possibly, to assist the farmers and potato growers of New Brunswick in connection with growing certified seed potatoes than any other man, and I sincerely trust that the minister will be able to get as good a man to replace him. I hope the government will not appoint to the vacant position a man who is not competent. In saying that I do not wish to make any observation derogatory to any of the applicants for the vacancy, but it is most desirable that we should have the best man possible for such a position. I urge the minister not to be satisfied until he has laid his hands upon the very best man qualified for the position, because to us in New Brunswick the growing of potatoes is just as important as is the raising of wheat to our friends in the West.

Mr. MacLEAN (Prince): Some of the questions that have arisen in this discussion are of very special interest to Prince Edward Island. As a matter of historical interest I wish to say that the very first enactment bearing on this question, legislation designed to curb the inroads of the Colorado beetle, was passed by the legislature of Prince Edward Island in 1883. The point raised by the hon. member (Mr. Caldwell) regarding seed potatoes is very important to us as well as the matter of inspection. We have not had the complaints to which he has referred, although a number of growers have made shipments apart from the association. All potatoes that are shipped through the associa-

tion are certified and carefully inspected. There are two field inspections; there is a careful bin inspection, and then another inspection before the bags are sewed and tagged. The growing of seed potatoes is really a new industry with us, it is just in its infancy; and we would like to have any assistance that could possibly be given. There is only a very limited time between the digging and marketing of the potatoes, and our difficulties have to do with transportation and inspection. I understand the department is now looking into the matter of a further reduction of freight rates on certified seed potatoes. This is moving in the right direction and we would like to have further assurances that this concession will go through. I would ask if it is the intention of the department to fix a fee for the inspection work in connection with seed potatoes which will take care of the cost? Is it intended to introduce regulations under which a charge will be made to the associations for inspectors, or is this work to be carried on by the officials of the department?

Mr. MOTHERWELL: That is a question. We have been considering for the last year whether this inspection service should be carried at the expense of the men who get the service or not. In the inspection of our wheat out in the West every car carries, I think, a charge of ninety cents. It used to be sixty-five cents but the cars are larger now and it really amounts to about the same. That charge largely carries the expense of inspection. Now whether or not that system should be carried out all along the line I have some doubt. In regard to the popular work that means so much to the people, especially at a time like this when every charge places a little bit more on the producer's shoulders, we hesitate to do this. I do not know that it can be claimed that it is not a just charge. When you receive a service why should you not pay for it? However, the work is largely educational and as the hon member for Hants (Mr. Martell) indicated, when there are still some doubting Thomases throughout the country as to the value of such services, we feel that we cannot impose such a charge. The same question has been raised in regard to the inspection and grading of cheese and butter, which is assuming large proportions and involving large expense to the country. When I fail to get a sufficient vote to carry on this class of educational work, we shall have nothing else left but to give up the work or else impose a charge on every one that receives a service. In older countries than Canada, I understand, that is the practice, each service carries itself; but imagine trying to impose a fee at this time in respect of the grading of hogs or the grading of eggs? The work has not yet become sufficiently established to warrant us in irritating the people further by passing new regulations for the imposition of a fee. In reply to the question of my hon. friend from Prince Edward Island (Mr. MacLean) I may say,—not for the present.

Mr. MICHAUD: On the 25th March last I put a question on the order paper as follows:

1. At whose request or demand does the Canadian Horticultural Council propose to change the grading of potatoes in the province of New Brunswick?
2. Is the government aware of any complaints made about the present grading of potatoes in said province?
3. If so, who made said complaints?

I received the following answer:

1. The Canadian Horticultural Council has no jurisdiction over the matter or changing potato grades.
2. No.
3. Answered by No. 2.

We in the province of New Brunswick are very anxious to find out how far the Canadian Horticultural Council can go in the matter of grading potatoes in that province.

Mr. MOTHERWELL: I think, Mr. Chairman, the answer is there although it might be elaborated. This is a very important body of men who have to do with horticulture. Their work also extends to vegetables, including potatoes, and I understand they did make certain recommendations with respect to this matter.

Mr. CALDWELL: Do I understand that potatoes come under the heading of "horticulture?"

Mr. MOTHERWELL: They are usually considered as coming under that head, not because of the bloom, but fruit and vegetables are usually grouped together, and fruit comes under the horticulture class. But this body, I may say, like any other body, I think, have considered themselves of sufficient importance and with sufficient knowledge of the business to make a recommendation, just as my hon. friend might make a recommendation, suggesting a change. But as we get recommendations from all over the country, from organizations and from individuals, I presume this recommendation may have come in from them. But the reason this impression has gone abroad, I think, is that one of the officers of the Horticultural Council is also an officer of the Fruit branch, and because of that fact possibly it was thought the recommendation came from them.

Mr. MICHAUD: I appreciate the information my hon. friend the minister has given us. If I were to give the government a little advice, I would say that I think we have been doing too much grading lately in too many lines. People are becoming afraid to go into the business of production or into any other lines in the farming business. It is about time we gave them a chance to produce, and we could deal with the matter of grading later on. I think there has been too much grading in many lines of farm products.

Mr. MOTHERWELL: My hon. friend across the chamber does not think so.

Mr. SUTHERLAND: I am glad to hear my hon. friend on the other side of the House make the statement he has just made. I think if we have a public nuisance in this country at the present time, it is the horde of officials who have been appointed by the government to hamper the farmer in his operations. The cost is simply enormous. I notice by a return brought down in the House of Commons last year that over $2,500,000 was paid to officials of this department alone, and at the present time my attention is continually being called to the annoyance created by the interference of government officials who are not rendering any public service. This is a serious matter. We know that agriculture is in a depressed condition, and that serious complaints are being made in regard to the condition of agriculture. At the same time we have the minister continually introducing new legislation and appointing a whole army of officials to put those different acts into effect. The minister has just referred to the regulations with regard to cheese, butter, hogs and eggs. It would be interesting to know how many officials have been appointed as a result of those acts which have been put into effect. As far as the egg regulations are concerned, I take it that there are people out now enforcing the act, that penalties are being imposed, and people are being fined. But there is a way for them to evade the act by simply marking the goods that are "selects" as "seconds." They can get around it in that way, and I would venture to say that there is not one person in five hundred who understands how the grading of eggs should be carried on—I mean among those who are engaged in that business. If there is a petty annoying thing in this country at this time it is the meddlesome interference of the minister and his officials in this regard. I put some questions on the order paper the other day with regard to the army of officials in the packing houses of the country, as to the "selects" among the hogs that were being taken in, and I learned that less than fifteen per cent of the animals that have been graded this year passed as "selects." When I asked the minister what quantity of meat that came through the packing house was sold as "select," no information was available, and yet there is an army of officials in the pay of the government in the packing houses, and the minister has no information from them; but he takes good care that the farmer is discriminated against when he brings his animals in. The minister has just raised the maximum weight of select hogs by ten pounds, which indicates that he made a mistake last year.

Mr. MOTHERWELL: Not at all.

Mr. SUTHERLAND: Does the hon. minister say, no?

Mr. MOTHERWELL: Oh yes, I made the regulations, but I did not make a mistake.

Mr. SUTHERLAND: As a result of that a great deal of money has been lost to the farmers. The cheese has been graded out and paid for according to grade, and I understand that when it is shipped out of the country it loses its identity, that the grade is not fixed upon it and it is not sold according to grade, but it is bought according to grade.

Mr. SALES: On a point of order, does the hon. member regard the graders as insect pests?

Mr. SUTHERLAND: The hon. member might better have called the minister to order when he was dealing with this matter.

The CHAIRMAN: On the point of order, I think the hon. member is comparing those administering other acts with those administering this act. I do not think he is out of order, as far as he has gone.

Mr. SUTHERLAND: I did not intend to violate the rules of the House; I was referring to matters which the minister touched upon. I asked a question as to the number of employees in connection with this item which is now before the House. I must have misunderstood the minister, but I thought he said about forty. I have the public accounts here; I have run over them, and I think there are about a hundred and forty.

Mr. MOTHERWELL: No. There are about forty permanent and forty temporary.

Mr. SUTHERLAND: I make it somewhere in the neighbourhood of 140. The in-

crease in this item of $70,000 two years ago and $70,000 last year makes $140,000 of a total increase, and the minister's explanation in regard to rust must have been surely amusing to those who have some knowledge as to the operation of rust in this country, how it could be controlled, and how it will blow over a great distance. It is no unusual thing to see a big crop on one side of the fence affected with rust, and a crop on the other side of the fence not affected at all. It would be interesting to know the results obtained in Ontario. The minister has a great deal of information as to what is being done in western Canada, but in regard to the corn borer, which is undoubtedly something that should be controlled, I think more effective methods should be adopted than the methods at present in use, and that someone with better knowledge of conditions than those engaged in the work should be employed. It is not a matter that can be controlled. The minister says, it is a matter of education. All these things are of an educational nature.

Referring to the question of eggs, I think the minister will soon be insisting upon having an X-ray examination of all the eggs laid in this country. This matter is becoming unbearable. It is discouraging the farmers of the country more than anything I know of. I refer, by way of illustration, to what is being done in the grading of hogs. Why do the packers not grade those animals themselves, as they do in the case of the beef animals? The minister is not appointing men to act in such a capacity in the case of beef animals but the matter is arranged to suit the convenience of people, in order to take advantage of the people producing the animals. The minister says "We are going to educate them." Yes, but you are discouraging them and driving them out of the business. This item is along the lines to which I have referred in connection with the other matters.

The grading of cheese has created a condition which is just as pronounced as the condition in regard to the grading of eggs.

Mr. MOTHERWELL: That will be the next item.

Mr. SUTHERLAND: And I am mentioning this to show that it is not just one item but a great number of items of a similar nature that are not at all promoting the agricultural industry, but are hampering it and costing the country enormous sums of money. I think economy should be practised in the Department of Agriculture, just as it ought to be practised everywhere else.

Mr. MOTHERWELL: I always like to listen to my hon. friend when he speaks, because I can hear him. In that respect I am unfortunate with regard to some of the members of this House. Maybe it would be as well if I did not hear some of his remarks. May I remind my hon. friend that one of the first times I had the honour of having him call upon me at my office, he called for the purpose of having a change in the Feeding Stuffs Act, and I did not do it the first year or the next year, but finally I did it. My hon. friend is one of those who have wanted these acts amended. When it suits the purposes of his particular territory he asks for an amendment and that necessarily involves work for the officials. That is only one of the many acts that have been changed and I myself believe that it was time to change it. Now, which one of these services would my hon. friend suggest giving up? I may inform the committee, by the way, that I shall have one small amendment this year to submit to the House in connection with the Feeding Stuffs Act, because last year we went too far in attempting to please my hon. friend. I am sure he will give me credit for having tried to meet his wishes. His position agreed entirely with my own but the Justice department has decided that we went further than probably either he or I intended. Apart from that, however, I have not in view at present any legislation to bring down. It is considered that the public are about surfeited with regulations and restrictive legislation, but we must bear in mind nevertheless that in these matters we are not entirely free agents. We are competing with the world in a common market in Great Britain, and when other nations display their goods there in certain conditions that appeal to the people we must follow suit or we shall find that our goods will not be accepted. As a result of the grading of eggs it is gratifying to know that we stand first in Great Britain in storage eggs, and that is some consolation. I realise exactly what my hon. friend says, that all these restrictions are irritating at the beginning; and there is a whole lot of joshing and fun made in connection with them. I too am ready to take my part in the fun, and if I were in my hon. friend's place across the floor—because such strange things do happen sometimes—I might quite possibly be doing exactly the same thing and indulging a propensity for joke-making in reference to bugs and insects and one thing and other. I am accustomed to all that sort of thing,

and there is really no harm in it. But when it is all over I am sure the agriculturists both in this country and elsewhere would be very much worse off if there were no restrictions to control the spread of insect and fungus diseases. Apart from that, and a few other things, I have no criticism to make of my hon. friend's remarks. If there is any question that I have failed to clear up, I am afraid I have lost sight of it in trying to straighten the hon. gentleman out. All other matters are out of order and we shall come to them if my hon. friend will have some patience.

Mr. SUTHERLAND: I wish to compliment the minister before he gets away from this subject.

Mr. LAPOINTE: Compliment, did you say?

Mr. SUTHERLAND: Yes, surely. I criticised some of his actions and he thought that I should have given him credit instead. Well, I am going to give him all the credit to which he is entitled when we reach the item concerned, and I would point out to the minister that it is an altogether different matter from this. The adulteration of mill feeds is something entirely different from the regulations to which I have been referring.

Mr. MOTHERWELL: Quite true, but it involves a restriction nevertheless, and that is what the people object to.

Mr. SUTHERLAND: It was not purely restrictive, for it ensured purity.

Mr. MOTHERWELL: So it did, but that is a restrictive regulation.

Mr. SUTHERLAND: I have given the minister credit on many occasions for what he has done, but I simply wanted to point out to him that the mill feeds adulteration was altogether different from this.

Mr. MOTHERWELL: Thank you.

Mr. SINCLAIR (Queens, P.E.I.): I might say a word in reference to the inspectors referred to by my hon. friend (Mr. Sutherland) and some other hon. members who have spoken this afternoon. I believe that the money expended on inspection under the Department of Agriculture is one of the most successful uses to which the public money can be put in this country. In eastern Canada especially, we have in the production of seed potatoes a splendid service, and the inspection gives a certification for our crop which we are able to sell in the United States where we have developed a market by introducing our potatoes and have had them tried out by the experimental stations in that country. This is the only bright outlook in Maritime agriculture at the present time, apart from the ordinary line of dairy farming; and when hon. gentlemen suggest reductions by cutting out the inspection of potatoes it seems to me that they are proposing something that is altogether detrimental to the interests of the country. I was rather encouraged to hear my hon. friend from South Oxford say that some of the inspectors were not as highly qualified as they should be, because the hon. gentleman's colleague (Mr. Hanson) a few moments ago was urging that the qualifications were too high and should be reduced to a lower standard. I cannot agree with the hon. member for York-Sunbury in that regard, because I think it is of the utmost importance to keep up the qualifications of these inspectors. It is admitted by those who have studied the production of seed potatoes that the territory that lies east and south of the St. Lawrence river, east of the town of Levis in Quebec, in the Maritime provinces, and in part of the state of Maine, is the natural ground for the production of seed potatoes on the North American continent, and if properly safeguarded to keep out disease which is so prevalent in large potato growing areas we may hope in the future to develop the production of valuable seed potatoes. That would encourage the farmers in that locality to produce a crop that is indigenous to their country. But if we do not pay strict attention to the qualifications of our inspectors and see to it that a rigid inspection is maintained in order that disease may be kept down to the minimum, we shall not benefit to the extent that we should, in that part of the country. Let me give an illustration of what it means to us to keep down disease in our potato crop. During the past season in Prince Edward Island we have produced about three hundred carloads of seed potatoes, 93 per cent. of which, upon inspection, were certified. In New Brunswick the farmers have been growing potatoes on a larger scale for some years than in Prince Edward Island and consequently they have a little more disease in their fields and among their potato stock than we have. So that of the acreage that was entered for inspection in New Brunswick last year only 67 per cent. obtained certification. That will demonstrate the necessity for a rigid control of disease in potato crops, especially in connection with seed potatoes. Last year in Prince Edward Island there were six inspectors to handle the crop. Two or three of them were men who are employed the year round, the rest being engaged for a few months. This

year we have increased by about 50 per cent. the acreage that will be inspected and it will be necessary to have more inspectors. I believe that this is pre-eminently a work in which the government should take a leading part. It means a great deal to the farmers of the Maritime provinces and part of the province of Quebec to safeguard the seed potato industry. We can go over a tariff wall, which amounts to 35 cents per bushel, into the United States market and sell our product and make the American grower pay the duty. And potatoes are about the only thing that we can grow in eastern Canada on which we can make the Americans pay their own duty. For that reason the seed potato industry is valuable from the national standpoint as well as to those who are engaged in the industry, and hon. members who advocate cutting down the work of inspection are advocating something which is decidedly not in the best interests of agriculture in this country and especially in the Maritime provinces.

Mr. CALDWELL: I do not want to disagree with my hon. friend (Mr. Sinclair) in regard to the percentage of potatoes entered for inspection in New Brunswick as compared with the quantity inspected in Prince Edward Island. There was, however, another reason besides the one he gave. Last year potatoes that were 5 per cent diseased were passed as certified seed. The regulations were changed last year, and this year potatoes would pass with only 2 per cent of disease. They had to be 98 per cent pure, whereas last year they passed if they were 95 per cent pure. Before the potato growers of New Brunswick realized that the regulations had been changed, a large number of them had purchased their seed. In fact, there was no way of knowing whether the potatoes that were certified were 5, 4, 3 or 2 per cent diseased, because they were certified if they were 95 per cent pure. I got caught myself in that way. Last year I bought some seed, and I learned afterwards that it was a little more than 4 per cent diseased. Had I known that this regulation had been passed—I did not know until it was too late—I would not have purchased that seed. In the same way large numbers of farmers last year planted potatoes that were 3 or 4 per cent diseased. I know the hon. member for Queen's (Mr. Sinclair) would not want to leave the impression that we have more disease amongst our potatoes, so I would like to correct him. The reason why a smaller part of our crop passed inspection last year was on account of the change in the regulations which the farmers were not aware of when they planted their seed, and they planted seed that, had they known of the change in the regulations, they would not have planted.

[Mr. Sinclair.]

Mr. SINCLAIR (Queen's P.E.I.): I did not intend making that reference in any way to reflect upon the percentage of disease prevalent in New Brunswick. As regards the percentage of disease in certified potatoes, the important matter is what kind of disease it is. If there are certain diseases like mosaic found in the growing crop, we cannot get it certified. If the disease is wilt or blackleg or rhizoctonia, we allow 3 per cent. There are other diseases which I need not enumerate, but it all depends on what kind of disease is found, what percentage is allowed for certification. If the disease is powdery scab, we do not allow any of those potatoes to be certified. I can assure the hon. gentleman that I was not making any reflection on the province of New Brunswick. I was showing the committee the necessity of having rigid inspection in order to keep disease in check and not to allow it to spread any more in the eastern provinces. I was citing New Brunswick on account of the longer time people there have been engaged in growing potatoes on a large scale. When the American duty was taken off potatoes a few years ago, the development in potato growing was very great, especially amongst those who were near the line and who grew table stock for shipment to the New England market. During the time when inspection was not so rigid for table stock, the disease spread rapidly, in fact, more rapidly than we hoped to allow it to spread, through other parts of the Maritime provinces.

Mr. FANSHER: This discussion has dealt with pests in western Canada, and pests in eastern Canada. As, however, has been mentioned by the hon. member for South Oxford (Mr. Sutherland), there is a pest that has invaded Ontario lately, namely, the European corn borer. I should like to know of the minister how many have been employed during the last year in combating this pest, with what success their efforts have been rewarded, and what was the cost during the last year of fighting this pest.

Mr. MOTHERWELL: I think ten inspectors are engaged in this work. The infection is spreading from the west of Ontario to the eastern part of Ontario. Just from memory, I think there are thirty or possibly thirty-two counties affected. The remedies that have been applied in the Welland and Essex counties, where the infection started principally, because those are the

corn counties, are showing their results in the invasions becoming more or less circumscribed. This is being done to a large extent by the activities of the farmers themselves. The hon. member for South Oxford made light of the fact that by putting the corn into the silo early, many of these bugs were silent, they were canned with the corn, but if you left that over until too late, they would not be. That is an important fact. In addition to that, the farmers by their own observations have found that tillage at a certain time and to a certain depth will bury those insect pests, just as we do many of our insect pests on the prairies by fall ploughing, thus getting rid of them for the time being.

And the Speaker having resumed the chair.

THE ROYAL ASSENT

SUSPENSION OF SITTING

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

Ottawa, April 4, 1924.

Sir,

I have the honour to inform you that the Right Hon. Sir Louis Davies, K.C.M.G., acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber this afternoon at five-thirty o'clock for the purpose of giving the royal assent to the Interim Supply Bill.

JAMES F. CROWDY,
Deputy of the Governor General's Secretary.

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:

An Act for granting to His Majesty certain sums of money for the public service for the fiscal year ending the 31st March, 1925.

SUPPLY

DEPARTMENT OF AGRICULTURE

The House resumed in Committee of Supply.

Administration and enforcement of Destructive Insect and Pest Act, $230,000.

Mr. GARLAND (Bow River): I would like to ask the minister to give a brief but, if possible, a comprehensive survey of the work of the department in the administration of the Destructive Insect and Pest Act. The discussion so far has been away from the item under consideration, and the question asked by the hon. member (Mr. Fansher) is the only one that really touches the subject. We are anxious to know what work has been done during the past year, where it has been done and what it has cost in each province.

Mr. MOTHERWELL: I was in the act of answering that when the committee had to rise for something equally important. I was reciting some of the activities that were being engaged in with the idea of restricting or, if possible, eliminating altogether the European corn borer in Ontario. I have mentioned the quarantining of these districts, and I may point out that the quarantined areas are not permitted to sell corn on the cob for seed purposes outside of their districts, because the disease is transmissible by that medium. In answer to the hon. member for East Lambton (Mr. Fansher) I may say that the cost of the activities of this branch is divided up as follows: scout work: one foreman inspector of insect pests, three months at $85 per month, $255. It is very difficult to give the exact figures, because this corn borer season does not last the year round. We have permanent inspectors and in addition to that we have temporary inspectors at the peak season. Then, five scout inspectors of insect pests, two months at $75, $750; two scout inspectors of insect pests, six months at $75, $900; two foreman inspectors of insect pests, two months at $85, $340; travelling expenses, $2,430; total, $4,675. I do not know to what extent that answers the question of my hon. friend from Bow River.

Mr. GARLAND (Bow River): If that is the only work done in connection with the administration of the Destructive Insect and Pest Act it answers my question, but if other work has been done in other provinces I should like to know it.

Mr. MOTHERWELL: We have always given a certain amount of assistance in the way of co-operation with the western provinces, in the extermination of grasshoppers, for instance, although that has been done largely by the provinces and the municipalities working in conjunction with our officers. We have about eighteen or twenty laboratories doing this class of work all over the Dominion, generally in conjunction with the experimental farms. The laboratory is not

always located on the farm. In the case of Fredericton, for instance, it is down in the city; at Agassiz it is located on the farm. The work is not confined to any one province, but is done all over the Dominion, wherever you find insect pests.

Mr. GARLAND (Bow River): What was the nature of the work done in connection with the Universtity of Saskatchewan? I think about $17,000 was spent there.

Mr. MOTHERWELL: That was in connection with fungus diseases. At the University of Saskatchewan it was the rust proposition.

Mr. GARLAND (Bow River): How much was spent in each province last year on the administration of this act?

Mr. MOTHERWELL: I have not the figures on the basis of provinces, but on the basis of the work done by the laboratories, which are made the centre of the operations.

Mr. GARLAND (Bow River): Then let the minister give the total amount spent in each laboratory in the different sections of the country, so we can discover whether the act has been administered properly, and whether this amount is necessary.

Mr. MOTHERWELL: I have not the totals here, but I will try and get them for my hon. friend during the dinner hour.

Mr. MacKELVIE: Can the minister tell us what has been done in the direction of eradicating the codling moth in British Columbia?

Mr. MOTHERWELL: That is a rather persistent disease. It affects our apple orchards, and it requires eternal vigilance to prevent the spread of the infection. A good deal can be done by the fumigation of empty cars that have brought up American fruit from the south, and every precaution is taken in that direction, as well as certain treatments in the orchards. But it is a very persistent pest, like some of our weed pests. I do not know whether we will ever get rid of it, but by keeping close watch on it we can curtail its ravages. The thing is to localize it; to exterminate it, is not an easy matter. I have here a memorandum on the codling moth, as follows:

Originally a native of southeastern Europe, the codling moth has now become nearly cosmopolitan. Early records in Ontario indicate that this insect was present in destructive numbers in 1868, so it must have been in the province many years before that time. At present it is particularly destructive in eastern Canada, with limited infested areas in British Columbia. It is recorded as causing an annual loss in Ontario of about $2,000,000. The adult moth lays its eggs on the leaves and the caterpillars on hatching enter the young apples usually at the calyx end. The remedy is to spray the trees with an arsenical mixture such as lead arsenate at definite periods, the first application to be made when 75 per cent of the petals have fallen.

That is, just after the blossoming period. I do not know what would happen if we did not keep after this pest.

Mr. MacKELVIE: Has there been any decrease in the infected area during the past year?

Mr. MOTHERWELL: I fear not; it is holding its own. If we want to eliminate it more rapidly we would have to increase our staff, I presume, and we have limitations in that respect.

Mr. FANSHER: Does the minister consider the European corn borer a very destructive pest, and if so, how destructive?

Mr. MOTHERWELL: It is destructive in this way; it honeycombs the stalks to such an extent that they fall over in the wind, and that makes it very difficult for the binder to cut them. I have not been down here long enough to say just how much it interferes with the crop, but the stalks I have examined would be perforated all the way up with little holes about the size of a darning needle, and would blow over in the wind, making it very difficult for the binder to cut them. The hon. member for Welland, as well as others informed me during the first of the session that the farmers in Essex county are beginning to handle this pest in such a way that they are ceasing to be alarmed about it; they can control it, and it is not nearly such a terror to them as it was when it first visited the country. They are doing that by local methods.

Mr. FANSHER: How destructive is the corn borer in the country from which it comes?

Mr. MOTHERWELL: I understand that in the country of its origin it has a parasitic enemy which limits the extent of its depredation. Without that enemy its ravages become pretty extensive and pretty rapid.

Mr. FANSHER: Why is the parasite not brought here?

Mr. MOTHERWELL: We are introducing it artificially just as we are doing with the parasites of other pests, and as we are doing in connection with the spruce budworm.

Mr. MacLEAN (Prince): I understand that under regulations that came into force in

September 1923 seed potatoes from an infected district are prohibited from being sold in other districts. Does the same provision apply to potatoes imported from sections that are known to be affected by the potato wart disease? That disease is practically not known in Canada as yet.

Mr. MOTHERWELL: No. I presume if the infection ever got a start and it was thought to be serious we should have to adopt a quarantine.

Mr. JOHNSTON: Have any experiments been carried on with a view to the destruction of the wheat stem sawfly which attacks wheat in western Canada?

Mr. MOTHERWELL: That has been left largely to the provinces. That also is controlled to a very large extent by deep fall ploughing. The little maggot larva after cutting around the wheat straw and letting it fall over, goes down the straw to within two inches of the ground and winters there. But if the stubble is ploughed in the fall, or burnt, or in any way destroyed, it substantially controls future depredations. It will not control the operations of this pest altogether but it helps very substantially. This is such a very ingenious insect that it taxes the ingenuity of man to get the better of it. In spite of different devices adopted for its control, it is still there and getting worse.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. SPENCE: When the committee adjourned at six o'clock we were discussing the item for the administration of the Destructive Insect and Pest Act. There is also an item under the head of entomology. Both of these items should be discussed together. Very few of us know very much about entomology and I think the hon. minister knows just about as much as the rest of us. I know very little, and I think hon. members of the House know just as little.

Mr. FORKE: Speak for yourself.

Mr. MOTHERWELL: Each hon. member should make his own confession.

Mr. SPENCE: The hon. minister would have no reason to understand entomology very well because this branch has been established in the last few years in connection with the Agriculture department and very few of us know very much about it.

You are to be congratulated, Mr. Chairman, on the display of such a great amount of patience this afternoon, listening to members discussing everything, and travelling all over the lot. Whoever heard of the grading of eggs or butter or cheese? Someone suggested an embargo on beans, and someone suggested the appointment of a pathologist in connection with entomology. I never heard of such a thing in my life. There is no doubt the department has been more or less extravagant but why should hon. members waste so much time discussing a matter of this kind? The hon. member for Victoria and Carleton (Mr. Caldwell) made a strong charge this afternoon against the potato dealers of New Brunswick, and I am sorry he had to make that charge, because I hate to hear of men in that walk of life resorting to such trickery in regard to the grading of potatoes, particularly the grading of seed potatoes, whether it is government certificated seed or just ordinary seed potatoes. I think the Minister of Agriculture and his department should investigate a charge of that kind. I have probably at the present time a thousand bags of seed potatoes which I paid for. I think I got just what I paid for, and I have always got a good decent deal from the dealers in New Brunswick, but this would not apply to the cases cited by the hon. member. I know something about the duties of the Entomological branch, being an importer of nursery stock, shrubbery, rose bushes and such things as that, but I must confess I know very little about entomology. However, I am a thorough believer in the inspection of foreign importations, or any importations, because it is absolutely necessary to keep away pests and plagues of one kind and another. I am not a believer in so much money being spent in embalming bugs and things of that kind, packing them away in mahogany cases, and having a whole department looking after them, in order to prevent them walking away at some future time. I contend, Mr. Chairman, that there are too many men in this country who imagine that they are inventing something new, but who in reality are preparing jobs for themselves and probably at the same time advocating the establishment of new departments, and services. We have to depend on somebody in regard to entomology. None of us knows what this item may cost, and I would ask the hon. minister to study a little economy in connection with it because somebody has to be depended on to give us a square deal in the matter. I hope in

the future, when the Minister of Agriculture is asked a question by any member of this House, he will be in a position to give a decided answer in regard to expenditure. I had trouble in that regard the other day. Hon. members to my left asked several questions and in each case he did not refuse to answer but quibbled around in order to avoid answering. He would never give a decided answer as to the cost of a particular department. I do not wish to criticize him too much, but he deserves a little criticism in that line. I do not think he deserves criticism along the lines of entomology because he has no knowledge of that subject. He could not be expected to have any knowledge, but in future I hope the minister will give a decided answer when he is asked a pointed question and be candid with the House because that is something he is lacking in.

Some hon. MEMBERS: Order, order.

Mr. SPENCE: If I am out of order I will apologize, but three days ago, I tried to get information regarding the cost of the central farm at Ottawa, and up to the present time I have not been able to get an answer. I think the item should either be abandoned or put through.

Mr. MOTHERWELL: I have to admit, Mr. Chairman, that I certainly do not know all about entomology but I think I can tell my hon. friend that pathologists have been appointed in connection with that subject. I suppose he never heard of such a thing as a plant pathologist.

Mr. SPENCE: Oh, yes.

Mr. MOTHERWELL: So that I have the satisfaction of knowing there is one hon. member who knows less than I do.

Mr. SPENCE: I wish to say—

Mr. MOTHERWELL: The hon. gentleman will not feel sore about it. I was not saying very much, you know.

The hon. gentleman from Bow River (Mr. Garland) asked a question in regard to the entomological end of the vote, by provinces, and two members of my staff have prepared a statement. I will give the figures by provinces leaving out the odd figures. They are as follows:

New Brunswick	$21,000
Nova Scotia	24,000
Quebec	14,000
Ontario	42,000
Manitoba	7,000
Saskatchewan	11,000
Alberta	11,000
British Columbia	19,000

[Mr. Spence.]

These are the sums spent for the respective provinces in connection with the entomological end.

Mr. TOLMIE: I am very much interested in what has been said this afternoon concerning the importance of the seed potato trade. This is a business that not only interests the Maritime provinces, but also the province on the Pacific coast. I would very much regret it if there is to be any laxity in the regulations governing seed potatoes. We are building up a good market, and it must be maintained at all costs, and strict grading and strict inspection of potatoes kept up, so that the certificate from the government which accompanies them will have some value and be a guarantee of their quality. As regards the co-operation of the Dominion and the provincial departments, the minister might inform the committee what precautions are taken to obviate overlapping, and what line of demarcation exists between provincial operations and those of the federal department. In view of the great importance of this seed potato trade, it would be interesting to know what increase has taken place in recent years. Regarding inspection and grading generally, if we are to compete in the export markets of the world with countries where a careful system of grading and inspection is observed, such for instance as New Zealand, Denmark and other places on the European continent, Canada will have to be as strict with the goods she exports as these countries are. As regards the question of contagious diseases not only of animals but of plants as well, and the work of entomology generally, it simply means that we cannot afford to let go. No matter how much we may talk in this House, no matter what politics we may play in the country, the bacteria will be as active as ever; and it is imperative for us to meet the situation. I am quite sure that if there is any laxity in carrying out the regulations we shall not retain the high record which we have to-day for the health of Canadian cattle and the quality of Canadian products.

Item agreed to.

Dairying, $230,000.

Mr. CAMPBELL: The amount of money spent under this head in 1922 was $147,000 and in 1923 $158,000. What is the explanation for the increase?

Mr. MOTHERWELL: There is no increase over the vote of last year.

Mr. CAMPBELL: I am referring to the actual amount spent last year which, accord-

ing to the Auditor General's report, was only $158,000.

Mr. MOTHERWELL: We had certain research work provided for last year but we were unable to obtain a man to do it, with the result that that work had to be abandoned. There were certain other works that we were able to have done without the expenditure that we had anticipated, but the principal reason for our not having used the whole vote was our inability to carry out the work we had planned by reason of not having secured the necessary officer. We had contemplated research work in bacteriology especially in connection with bacteria in cheese. We have since secured the services of a bacteriologist for that work and we shall therefore require to meet the expenses in connection therewith. There is also a certain amount of work to be undertaken in the way of cow testing, not for tuberculosis but for quantity and quality of milk. Some of the provinces are doing that work; the western provinces, particularly Saskatchewan and a part of Manitoba, and Nova Scotia as well, have gone in for it.

Mr. CALDWELL: Does the work of cow testing come under this vote?

Mr. MOTHERWELL: It did at that time but we are transferring it to the Live Stock branch.

Mr. HANSON: What is the department doing to secure better export markets for our dairy products?

Mr. MOTHERWELL: There is a vote further on with reference to that subject.

Mr. HANSON: I should like to know what steps the department is taking in this very important matter at a time when the farmers are suffering from restricted markets.

Mr. MOTHERWELL: We have a special representative in the Old Country looking after Canada's interests in the placing on the markets over there not only her dairy products, bacon and eggs, but all other exports as well. So far only a start has been made but good results are anticipated. In addition, we have a number of cargo inspectors here whose duty it is to see that our goods are placed on board the boats in proper condition and are not shunted around unduly, although in spite of all precautions a great many of our containers such for instance as cheese boxes, are pretty badly racked before they reach their destination. We have cargo inspectors on the other side also to look after warehousing and the handling of goods after they have reached the Old Country. These men make sure that perishable goods particularly, such as butter, shall not remain on the wharves too long nor be exposed to temperatures and otherwise be subject to deterioration, before the persons to whom they are shipped can put them in cold storage. These are some of the things that are being done, but there is still a tremendous work to accomplish if we are to keep pace with our principal competitors.

Mr. HANSON: What is the name of the official to whom the minister refers?

Mr. MOTHERWELL: Mr. W. A. Wilson.

Mr. HANSON: Was he formerly manager of the Saskatchewan Creamery?

Mr. MOTHERWELL: Yes.

Mr. HANSON: Did he make a success of that business?

Mr. MOTHERWELL: He did when I was there.

Mr. HANSON: He did when the minister was there; that is a qualification. But after the minister left how did he succeed?

Mr. MOTHERWELL: I can speak only from personal knowledge. I cannot be expected to look after the business up there and administer the department here. At the same time I understand that there has been some complaint about the administration since then.

Mr. HANSON: Is it not a fact that he was a huge failure in the position he occupied in Saskatchewan, and that the minister shunted him to Great Britain? If so, how can he hope to be successful over there?

Mr. MOTHERWELL: You will have to ask the Civil Service Commission.

Mr. HANSON: Did the minister not have anything to do with his appointment? Did he not recommend him?

Mr. MOTHERWELL: I did.

Mr. HANSON: Of course you did.

Mr. MOTHERWELL: And a good many others recommended him too, and the Civil Service Commission can be congratulated on the best appointment they have made since I have been here.

Mr. HANSON: What results has he obtained since going over there? Let us have something tangible for the salaries we pay.

Mr. MOTHERWELL: He has been there only since last September, but he has made a number of recommendations with regard to the cheese and butter business particularly. As I intimated this afternoon, the amount of restrictive legislation passed by this House within the last few years has been complained of to such an extent that I do not feel that it is advisable at this time, no matter how pressing the requirements may be, to bring down any further legislation of that nature. But strong recommendations have come from Mr. Wilson to standardize the cheese and butter boxes. They are not standardized now, and the change would necessitate making a different sized hoop. That of course would cost money, but I think it will have to be done some time in order to have the cheeses fit the boxes properly. At present the cheese is sometimes about an inch smaller in diameter than the box with the result that in the handling of loosely packed boxes of this kind the cases often fall to pieces. We could bring down legislation this year as we have enough information from him to justify that with regard to both cheese boxes and butter boxes; but at the conference held recently at Ottawa before the session opened, it was thought better to get further information before we made that change and necessitated that expenditure in our cheese factories. That is some of the work in which he has been engaged. We have enough information from him to warrant a number of changes being made to meet present market conditions, but we feel that the time is not ripe to make those changes. The people, as I have intimated this afternoon, have had sufficient restrictive legislation for the time being. There is a timely time to do things and that is not quite just now.

Mr. HANSON: The answer made by the minister is not an answer to my question. What results have been obtained and what benefits have come to the country as a result of the trip of the dairy commissioner to New Zealand and Australia last year?

Mr. MOTHERWELL: It was Mr. Ruddick, the present dairy commissioner, who established, you might say, the present dairy industry in New Zealand when he was there as dairy commissioner something over twenty years ago. His work is being followed up there by a Mr. Singleton. From experience, we find that the New Zealanders are setting the pace for Canada, in fact, for almost every other country, except Denmark as regards putting goods on the British market in an exceptionally good condition. Since I have had the honour of coming to Ottawa, we have had New Zealanders visit Canada. It is quite the thing for a prominent dairyman in every dairying country to visit countries that are their chief rivals in order to hear the last word in dairying. If there is anything that can be secured and applied to their respective countries, they take it home and apply it. Mr. Ruddick wanted to see just how the people of New Zealand were excelling Canada in the matter of butter-making and cheese-making too. He found out many of their more recent methods, some of which are not applicable to conditions in Canada because of our small cheese factories. For instance, as regards the question of pasteurization, although it is generally understood that the appetite or taste in Great Britain is pretty well fixed for a certain type of cheese or butter, nevertheless all those in authority there are of one accord that the appetite for both butter and cheese in the Old Country is changing. The people there want the milder cheese, one that is made from pasteurized milk, and we find that practically all the milk in New Zealand is pasteurized before it is made into cheese. The same thing applies to cream and butter. That is something which we are drawing to the attention of farmers in Canada, also; but unfortunately in this country where the factories are so small, they cannot afford to put in a pasteurizing plant for the small quantity of business done in one factory. Consequently, we are starting on a policy of encouraging the people, as they start new factories, to build combined ones, butter and cheese, and larger ones, so that the output will warrant employment of first class men and putting in pasteurizing plants to meet the taste of the British market with milder cheese which can be made only with pasteurized milk. These are some of the results of his visit. I might tell the committee some of the others.

Mr. HANSON: I am sure the committee will be pleased to hear of other results of the visit of this gentleman to New Zealand. What was the nature of the difficulty into which this gentleman got in New Zealand, and how does the matter now stand?

Mr. MOTHERWELL: I do not understand the question, and my deputy does not understand it.

Mr. HANSON: Perhaps it was in connection with the other gentleman.

Mr. MOTHERWELL: Mr. Wilson. He accompanied Mr. Ruddick.

Mr. HANSON: What was the nature of the trouble that he got into over there?

Mr. MOTHERWELL: I have not heard of any trouble that he got into. He may have been seasick on the way over, for anything I know.

Mr. HANSON: Perhaps the minister will hear of it later.

Mr. MOTHERWELL: Possibly my hon. friend can enlighten me.

Mr. HANSON: What was the nature of the trouble into which Mr. Wilson got in Saskatchewan that caused him to make that foreign trip?

Mr. MOTHERWELL: My hon. friend is on the wrong scent altogether. Mr. Wilson went into the dairy business under the auspices of the Dominion government over twenty years ago. He went to Saskatchewan in 1905 and he got along well as dairy commissioner for twelve years. He was in the Department of Agriculture there, and he was recognized as the first authority, in both theoretical and practical dairying. I presume my hon. friend has been following the evidence which has been appearing in the Regina papers. As a lawyer, he should be sufficiently open-minded to appreciate the fact that many of the statements there were not fair in the absence of Mr. Wilson or anybody to represent him. As regards many of the statements that were made, he made a strong defence that has not yet been made public.

Mr. HANSON: What was the charge laid against him?

Mr. MOTHERWELL: No charges were laid against him except the charge of not being able to get along with his staff. That is the only charge I have heard.

Mr. MEIGHEN: Was he not charged with alleging that he was a cousin of the hon. gentleman himself?

Mr. MOTHERWELL: That is a new one on me. I never heard that before. There are many things my right hon. friend does not know yet. I remember the other night he did not know there was an embargo on American cattle. To-night he has charged that Mr. Wilson is a cousin of mine. If you go back to Adam, I have no doubt he is.

Mr. MEIGHEN: The minister is the first one I ever knew to claim that he was not. He may be the last. I have some difficulty in keeping up with the sinuosities of the Minister of Agriculture. I do not think anybody knows what is happening while he is there. Did the minister, for instance, as regards the cattle embargo, make any announcement to the public that it was on?

Mr. MOTHERWELL: Yes.

Mr. MEIGHEN: How did he make it?

Mr. MOTHERWELL: Through the press in the usual way.

Mr. MEIGHEN: In what press?

Mr. MOTHERWELL: All the press, Associated Press.

Mr. MEIGHEN: I did not see it, but I saw some telegrams from the minister disputing the relationship of Mr. Wilson. He seems to have forgotten that.

Mr. MOTHERWELL: It was not with Wilson at all. I think the leader of the opposition will have to try again and give me something harder.

Mr. ROSS (Simcoe): I do not doubt the right hon. gentleman did not see the article in the press, but I happened to see it and I think many of us saw it. The article was in the press.

Mr. MOTHERWELL: Yes. If you ask half of the pages here, they will tell you about it.

Mr. ROSS (Simcoe): In Ontario, the dairy industry, particularly the manufacture of butter and cheese, is an important factor in farming operations. According to the reports, we have a number of inspectors. I think we have eight dairy inspectors, twelve inspectors of cargoes, seven or eight produce graders. We have reports. This is a little report that does not appeal to me very favourably. It is issued in the Canadian Grocer, and commenting on Canadian butter, it states:

> In the Old Country it is selling from ten to thirty shillings per hundred less than butter from some of the other producing countries.

Then it goes on to say:

> This is due to its not being uniform in quality or to the poor keeping character of a great deal of it.

I was just wondering what the duties are, and how they are performed, of our inspectors, those that are inspecting the cargoes going, those that are inspecting the butter manufactured in the different provinces, and our graders, how they work, where they work, whether they inspect cream as it comes in, whether they inspect the factory itself as to sanitary conditions, cleanliness and such things; whether they inspect the finished product in the factory before it goes out—these are matters on which I would like to have a little light.

Mr. MOTHERWELL: The supervision of the manufacture of butter and cheese, broadly speaking, devolves upon the provinces. It is true that we do certain educational work in the way of drawing attention to the advisability of the grading of cream and milk, but we have nothing to do with the supervision of creameries or cheese factories. Our duties bear upon the grading of the article after it is manufactured and the marketing of it, and that is usually done at the warehouses. We did exercise some control under the Agricultural Instruction Act, the grants being made under the condition that a portion of them should be expended in the inspection and grading of cream and milk at factories. Since then we have exercised no control; we have acted only in a consultative capacity or in an educational way. In a word, the grading is federal and the manufacturing provincial.

Mr. LUCAS: As the quality of butter exported reflects on the Dominion as a whole, does the minister not think it would be a good idea if the Dominion would call a conference of the provinces for the purpose of bringing about a uniform system of grading throughout the whole Dominion?

Mr. MOTHERWELL: We have had one or two conferences of that nature, but it is not an easy matter to get some provinces to accept a grading system at all. The three prairie provinces accepted a grading system years ago, Alberta in particular, with the result that the butter made in the prairie provinces has the highest position in the British market of any butter that goes from Canada, excelling even the product of the famous Eastern Townships. It is not because they are better dairymen, but they have adopted the right principle of grading and of paying for milk and cream on a basis of quality, and it is only by paying on a basis of quality under a system of grading that you can possibly get quality in the output of butter. In the older provinces they sell nearly all their make at home, consequently they do not have to go on a foreign market and compete with the world. Their make of butter is suitable to the people in Ontario and Quebec, particularly the salting of it, and as I say, although a small quantity is exported the bulk of it is used in the home market. On the other hand, in the West we had to compete in an outside market and gratify the tastes of those who bought our butter on that market, with the result that our make rapidly assumed the quality demanded. The amount of butter exported from the East is so small that there is not the urge for a system of grading that there has been in the West. At the last conference we had, both Quebec and Ontario—they have already started it in the Maritime provinces—indicated their intention of embarking upon a provincial policy of the grading of cream and butter. Primarily, therefore, the quality of these goods is dependent on the provincial activities, supplemented by such educational services as we can render.

Mr. ROSS (Simcoe): Are we to admit that the report I have just read regarding butter over there is true?

Mr. MOTHERWELL: Yes.

Mr. ROSS (Simcoe): Has the minister any comment to make on that or any suggestions as to how we can overcome it We cannot afford to lose that market for our butter.

Mr. MOTHERWELL: I am sorry to have to admit it is true, but it is only by knowing the truth that we can remedy the difficulty, and that is what we are endeavouring to do. I believe we will have to introduce gradually a system of dual factories that will make butter in the winter and cheese in the summer and have a sufficient volume of business to take care of the cream and the milk in proper, up to date fashion by pasteurization. During the last two or three years an act was passed in Toronto providing for the consolidation of any cheese factories that wanted to get together in this way, and I recall that the Hon. Manning Doherty, who was responsible for the act, imitated almost exactly the system that is in effect in Saskatchewan, although he provided for the advance of a larger amount of capital to the consolidated creamery. I think that one or two of these institutions are being organized, although I do not know of any that have actually been organized as yet. Only by doing that can we hope to compete with Australia.

Mr. ROSS (Simcoe): Is it compulsory that our export butter be graded and stamped as to grade before it is exported?

Mr. MOTHERWELL: Yes.

Mr. ROSS (Simcoe): By federal regulation?

Mr. MOTHERWELL: Yes.

Mr. MEIGHEN: What was Mr. Wilson doing when the minister secured his appointment to this travelling task of making markets for our butter?

Mr. MOTHERWELL: I thought I had covered that fairly well in answer to the hon. member for York-Sunbury (Mr. Hanson).

We are constantly having reports as to his activities.

Mr. MEIGHEN: The minister finds fault with me for not reading the papers, but he does not listen to me when I ask a question. I asked what he was doing when the minister appointed him.

Mr. MOTHERWELL: My hon. friend knows that I have not the very best of hearing. I have one ear that is no good.

Mr. MEIGHEN: I am sorry; I did not know that.

Mr. MOTHERWELL: But I often hear more of what the right hon. gentleman says than is good for me or good for anyone else. At the same time, I do not hear everything he says. What was he doing before he went overseas? He went over to Australia with Mr. Ruddick to find out what he had to compete against when he went to the Old Country. Then before that he was general superintendent and manager of the Co-operative Creameries in Regina.

Mr. MEIGHEN: I will try again; this is the third time now; and I will speak loudly enough this time.

Mr. MOTHERWELL: Thank you.

Mr. MEIGHEN: The minister evidently has never heard me aright, otherwise he would not have the erroneous opinions he has now.

Mr. MOTHERWELL: Oh, I heard all about the embargo proposition.

Mr. MEIGHEN: We will put an embargo on the minister's humbug and try to get down to facts. What was Wilson doing when the minister secured his appointment to this new task in the employ of the Dominion government?

Mr. MOTHERWELL: He had just got back from New Zealand when the position was established. My hon. friend knows the rigmarole that you have to go through to get an appointment made. First, you have to establish the position, then you have to go to the Civil Service Commission to classify it, then you have to get it confirmed by the cabinet, then after a while you advertise it. I do not know what he was doing during the four or five weeks that it took to make the necessary arrangements. I do not know what he was doing then; I presume he was waiting to see what the result would be. He was on his way back from New Zealand, and arrived in time to apply for the position, and I may say that he got the appointment in competition with seventy-five others.

Mr. MEIGHEN: The minister's influence was important then, but I think after his whole record is known to the commission, they will not pay so much attention to his recommendations again. I did not ask what he was doing while the minister was getting the office created. I asked what he was doing before. So that the minister cannot possibly misunderstand me, I will put it this way: Was he not manager of what was known as the Co-operative Creameries in Saskatchewan?

Mr. MOTHERWELL: My hon. friend's hearing must be worse than mine, for I have said that two or three times already. I said that he went to New Zealand before he got this appointment, and that previous to that he was manager or superintendent of the Saskatchewan Co-operative Creameries.

Mr. MEIGHEN: What kind of success did he make of that?

Mr. MOTHERWELL: As long as I was there he made a good success of it; I do not know about afterwards. There has been an investigation recently in the Saskatchewan legislature, through the Agricultural committee, in Mr. Wilson's absence and without anyone there to represent him, and it was claimed there that he did not make a good success of it. I cannot speak as to that. I know he defended himself by sending a letter to the Agricultural committee, but for reasons I do not know the letter was not made public.

Mr. MEIGHEN: Was the company in a successful position when he left it? It was a public company.

Mr. MOTHERWELL: No, I do not think it was, according to my information, but there is nothing in the report of the Agricultural committee to indicate that he was in any way responsible for that. I do not know whether my right hon. friend saw the report of that committee. There was evidence given by a number of witnesses throwing some blame on Mr. Wilson for a lack of business management. I have not the report of the committee here, but at the rate we are passing these items I think I shall be able to have it for the next sitting. I can say that in the report of that committee sitting in Regina there is absolutely no reference to any dereliction of duty on the part of Mr. Wilson, and that report is all I have to go by.

Mr. MEIGHEN: He was manager when the thing was wrecked. Was the wreck caused by the absence from the province of the minister or the presence there of Mr. Wilson?

Mr. MOTHERWELL: All I can go by is the report of the Agricultural committee. The committee took the ground that the Saskatchewan Co-operative Creameries, like a great many other institutions, was found unprepared for the tremendous deflation that took place in 1920 after the war. They had a certain amount of butter on hand that went down seriously in value, and on which they sustained a considerable loss. They had a number of co-operative cold storage plants that were running full blast during the war, and the first of which got the subsidy that was given by the government of that day; that was given to only one cold storage plant, the one at Saskatoon. However, they went on building because of the tremendous demand for cold storage space, and then when the war was over the demand suddenly ceased, and these institutions ceased to be profitable. It was only one of the hundreds of thousands of institutions and firms that were caught in exactly a similar position. I have that report here now. It is headed "Committee of legislature makes report." It is too long to read, but if my hon. friend would like to see the report of this committee—

Mr. MEIGHEN: They would all be Liberals.

Mr. MOTHERWELL: Oh no. There are one or two Tories out there yet.

Mr. MEIGHEN: I only hope that he makes some better success of what he is at than of what he undertook in the past, for he could not possibly make a worse success. If there are any more wrecks the minister may get them positions in his department.

Mr. MOTHERWELL: I cannot be responsible for what happened after I left. I accept the report of this committee, on which were Conservatives, Progressives and Liberals.

Mr. MILLAR: I would like to say a word on this. I do not mind the scrap which is taking place between the leader of the opposition and the Minister of Agriculture; they can fight that out, but knowing Mr. Wilson I feel it my duty to make some remarks in view of the reflections that have been cast upon him to-night. I know something of his work during the last ten or fifteen years in connection with the Saskatchewan government, and I think it is the general opinion in Saskatchewan that he is a very capable official. I might point out that even though the Co-operative Creameries is in financial difficulties at the present time, and if Mr. Wilson was formerly manager of that company, there are many other business concerns in financial difficulties at the present time, and this is no indication that they were not properly managed. When a capable official, than whom I think the minister could not get a better, is in the employ of this government and doing excellent service, which I believe he is, I cannot sit here and hear reflections cast upon him without raising my voice in protest.

[Mr. Meighen.]

Mr. MEIGHEN: I am not at all surprised, if he is a political friend of the minister's that he would be of the member for Qu'Appelle too.

Mr. MOTHERWELL: Here is the report of the Agricultural committee, and probably this will be better evidence that my hon. friend's yarn about my being Mr. Wilson's cousin.

Mr. MEIGHEN: I would rather have the evidence than the report.

Mr. MOTHERWELL: Evidence that was given in the absence of the man charged and when he had no counsel there representing him! Surely my hon. friend as a lawyer has a better sporting instinct than that.

Mr. MEIGHEN: They gave a verdict in his absence.

Mr. CAMPBELL: It seems to me that this butter question is well worthy of a little more consideration. Somebody has said that this is very important to the farmers of Ontario, but it is equally important to the farmers of the prairie provinces. We are almost as much interested in butter in Saskatchewan as we are in wheat. In 1921 we produced about 7,000,000 pounds of creamery butter in Saskatchewan, and last year nearly 11,000,000 pounds. The output is increasing by leaps and bounds, and what is bothering us to-day is, where is the future market coming from? While the average wholesale price of creamery butter in 1920 was 56 cents, last year it averaged only 34 cents. The extra production and the contraction of our market is being reflected in the price, and it seems to me there is something we can do here. I think the minister could explore this question a little further. I am not quite sure that I know how it should be gone about, but I believe there should be some very rigid export grading system. If the producers in Ontario and Quebec object to the cream grading system that we have in Saskatchewan and Manitoba, the diffi-

culty might be overcome by imposing rigid export regulations. I am not sure exactly what we have in Canada to-day, but evidently our regulations are not as rigid as those of Australia and New Zealand. I have an article here which was written by Cora Hind, who was sent to England to study the butter situation in 1922, and in part this is what she said about the butter market:

> These Liverpool merchants had nothing very cheerful to say about Canadian butter. They paid too high last year and also state they had great difficulty in disposing of the butter. The texture was good, the packing excellent, but it was reported to have a "back flavour" which was unsatisfactory and made it very difficult to move. Wall and Company had handled some thousands of boxes and their butter expert told me they had lost heavily; he stated that Canada should endeavour, as closely as possible, to approximate the flavour of New Zealand butter, and this advice was also endorsed by Mr. Perry.

I have also a clipping from the market report of James Gillanders, of London, which says:

> There have been one or two lots of Canadian butter arrived on the market recently, and the quality generally has proved very satisfactory. The system of grading has no doubt a lot to do with this, and although the prejudice on Canadian butter owing to trouble in previous years prevents buyers speculating on this class of butter, yet on inspection they are willing to pay comparatively good values.

The clipping gives some prices for Canadian, which are considerably below the New Zealand figures. I have another quotation from the Grocer, of London which says:

> The present season has witnessed an unusually heavy import of Canadian butter. In a general way the butter from the provinces of Manitoba, Saskatchewan and Alberta proved superior to the article produced in the eastern provinces, and commanded a higher price. This goes to show the value of united effort as exemplified by co-operation between the creameries and the provincial governments of Manitoba, Saskatchewan and Alberta, and these provinces have very efficient systems of government grading. Canadian cheese maintains its high position on this market, and it appears to be the aim and object of the Canadians to place their bacon and butter on the same plane.

Now, Sir, this extract from the London paper is perhaps well worthy of consideration. At the present time we are told that our customers overseas are not able to buy our products. I find on reference to the trade and navigation returns of the United Kingdom for the year ending 1923 that the imports of Canadian butter—shown in hundredweights of 112 pounds—for that year amounted to 39,834, whereas for the previous year the figures were 154,532, a very serious drop. In the face of this Denmark shows a pretty heavy increase. There is also a considerable increase from the Netherlands, from the Argentine and a very heavy increase from New Zealand. It seems to me, therefore, that something should be done to cope with this situation. I notice that New Zealand recently passed regulations under which no butter can be exported without a license. That is the exporter must have a license, and in order to secure that license and to retain it after it has been secured there are regulations with which the butter man must comply. I think we shall have to establish something along that line if we are to maintain the standard of our butter on the British market. The total imports of butter into the United Kingdom for the last three years show a steady increase. In spite of that we are losing this market for our butter year by year, our export in pounds for 1922 amounting to about 17,000,000 whereas last year it only amounted to 4,000,000. Perhaps the minister could tell us something about the regulations that are in force at the present time, and if it would not be possible to establish some export regulations that would not interfere with the butter sold locally in the provinces of Ontario and Quebec.

Mr. MOTHERWELL: My hon. friend has touched upon a point of considerable interest. That is the ready disposition of New Zealanders and Australians to not only impose severe regulations but to comply with them in order to put New Zealand and Australia on the map in the matter of butter and dairy products generally. The reports of both Mr. Wilson and Mr. Ruddick indicate that Australian and New Zealand dairymen are ready to submit to anything in reason that the government imposes upon them if it is going to help them to make a better product. My hon. friend is quite right. The butter men of those countries have to have licensed stamped grades and to comply with the strictest regulations. They do so because they know it helps them to put their butter on the market in better shape. In Australia they have the handicap that we have except in this respect, that they have a number of state governments but they have not a federal government overseeing them. In some respects it is an advantage because there is no overlapping, there is a continuous regulation by the respective governments. New Zealand, not having the federal system and having only one government can control the situation and enforce the regulations better than can be done in both Australia and Canada. Now, in this country—we have noticed it only this afternoon during the discussion—people feel as irksome the restrictions that are imposed upon them in connection with the different activities we are discussing. If we imposed upon Canadians the kind of restrictions they

have in Australia and New Zealand the people here simply would not stand for it, and particularly from the federal government that has no jurisdiction in the matter. Without eulogizing the western provinces too much, let me point out that it was because those provinces took up grading, just as my hon. friend suggests—in conjunction with the federal grades and in co-operation with them—took it up so well that they are able to hold their own and to beat all Canada in the British market. If all the export butter of Canada were as good as the western butter we would not have to make the humiliating confession referred to in the publication which has been quoted from. There are no two men that have done more to bring about that happy situation as far as the West is concerned than the dairy commissioners of Alberta and Saskatchewan. In the older provinces everybody knows how hard it is to introduce anything new. Out in the West we were using grading in connection with everything which was grown in the earlier years. Everything was sold on grade practically. Therefore we took naturally to grading dairy products but down here it comes very hard, and the people yield to it very slowly. It means that they have to unlearn the past and that is a harder thing to do than starting anew. Notwithstanding that, in Ontario and Quebec they have already started grading. In Nova Scotia they have a home market in the Maritime provinces for every pound of butter they produce; they are not so much concerned about grading because the market is right there, they do not have to export to other countries and compete with other producers there. In Ontario and Quebec they have an average but not sufficient to stimulate them into realizing that they are getting behind. Yet at the last conference which was held in this city, only three months ago both the representatives of these provinces gave assurances that they were prepared now to start out on a grading system in the case of both cream and milk. I should like my hon. friend from Mackenzie (Mr. Campbell) to tell me how we can go at this matter and with better results. I am a stranger down here to most of the workers in the dairy industry and for a western man to be too chesty is something I suppose they would not submit to very kndly. But I will say this, and the eastern dairymen admit it, that the western make of butter surpasses that of the east and brings from five to six shillings a hundredweight more on the market. Mr. Stonehouse, who is president of the National Dairy Council, admits that they know that down here. Now that is not because the western dairymen are better dairymen but simply because they have done what my hon. friend from Mackenzie and other hon. gentlemen have been advocating. They did it many years ago. They adopted the grading system. They bought their raw material on the basis of equality and sold their product on the same basis and until they do the same down here they will not get the same results. As long as prices are pooled and the sour cream brings as much as the sweet you are not going to get very much of an improvement. If my hon. friend has any suggestions to make I shall be very glad to give them my best consideration, because there is a tremendous problem right there.

Mr. CAMPBELL: I quite agree with the minister that a problem exists but it is not an insurmountable one. I think there should be no division of authority between the provinces and the Dominion government in regard to exports. If I understand it, the Dominion government can control the matter of export. I will say nothing about the sale of butter within the province. Surely the Dominion government is able to pass export regulations that will force the butter for export up to a certain standard that will be at least equal to that of New Zealand. As a Canadian I am not ready to admit that the New Zealanders can do anything we cannot do. I know it is usually said New Zealand has a perpetual summer. Their cattle graze in the open all year, and they have a great many advantages we have not.

Mr. MOTHERWELL: Does the hon. member suggest we should refuse the export of butter unless it is of a certain grade?

Mr. CAMPBELL: That is my suggestion. That is the system in vogue in New Zealand to-day, and I see no reason why it cannot be put into effect here, because it is very important. It means almost the salvation of the prairie provinces at the present time. Every hon. member who is familiar with the West knows very well that for the last two or three years the farmers of the prairies have been producing wheat at a loss. The only thing that has kept the farmers going, particularly in the northern part of the prairie provinces, is the dairying, and if we are going to lose the little market that we have, I see nothing but ruin facing us. The market is there. We have a market in the old country, and it is only a matter of developing it; but we must keep up to the standard in order to get that market. Of course there are other factors entering into it. There is the matter of freight rates and

transportation, but that is a different question, and we can discuss it at another time. I believe that at the present time some regulations could be put into effect that would standardize our butter up to the same grade at which the New Zealand butter is standardized at the present time. I quite agree with the minister that people object to these regulations. They always do. They object to any laws. If you have the Ontario Temperance Act in force a great many people object to it. If we were to repeal that act and establish liquor stores, many people would consider it a hardship on them. Whatever laws may be in effect, some people will always object. When the cream grading regulations went into effect in Saskatchewan, almost every farmer who patronized the creameries made very bitter objections to them and if I had desired to make a little political capital against the Saskatchewan government, I had ample opportunity for so doing.

Mr. MOTHERWELL: You would not do that.

Mr. CAMPBELL: But I was firmly behind that policy, and I think any fair-minded public man would be behind it. To-day I am glad to say that the farmers of Saskatchewan have largely got over that, and they are coming to a point where they are appreciating those regulations. But if the government had viewed this thing from an entirely political standpoint at the first, these regulations would never be in effect to-day. I think it is incumbent on the government to take a very firm stand. Never mind the objections. We have to face objections. It means the salvation of the dairy industry and of the country. I am not prepared to see New Zealand take the whole market of the United Kingdom from us without making a fight for it. I think we have just as good farmers, just as shrewd businessmen and as able legislators in this country as they have in New Zealand, and we have in the western provinces, particularly in the northern part of the country, land that is very suitable for mixed farming and for dairying. We have splendid grass, abundance of water also very rich land, and can produce unlimited quantities of dairy produce, if we have the opportunity, but we must have the market. The figures for the last two years are not only dissappointing but very alarming.

Mr. MOTHERWELL: I want to congratulate my hon. friend for his criticism. I do not know whether he read Mr. Ruddick's report after his trip or not. That gentleman emphatically stated that until the dairymen of Canada were prepared to submit to a great many more regulations than were now in force they could never hope to compete with New Zealand. We discussed the question of forbidding the export of anything lower than No. 1. That would be more arbitrary than any regulations that have been passed in this House during the last two years. Let us see how that would work out. There is a market in Great Britain for any kind of edible butter, and quite frequently No. 2 comes within a shaving of No. 1 because of the peculiar position of the market. Then take it the other way. Suppose my hon. friend—as I have no doubt is the case—is growing grain; he knows that we grow various grades of grain. Suppose the laws of Canada prohibited us from exporting to the United Kingdom, or to any other market, any grain lower than No. 3, and that all the commercial grades, Nos. 4, 5, and 6, were banned from export. There is frequently a bigger demand for these grades than for the others, not in the British market, but in the European markets, because the discoloration due to frost or other causes is not so objectionable in those markets. But apart from that, consider the effect it would have upon such a regulation. The very fact that there is a market for any kind of edible wheat is evidence that the government should not prohibit its export. Some people say that as soon as we create for our butter a reputation in British and European markets such as we have for our wheat, we can afford to ship our third and fourth grade butter just as we ship our lower grades of wheat. There is therefore a big principle involved in the question as to whether we should prohibit the exportation of No. 2 butter. I think I see myself coming down to this House with a proposition of that kind! Yet I must confess to my hon. friend that I have thought seriously about it. But, the public being so fed up with restrictions, I am not just prepared yet to enunciate such a proposition. I have to thank my hon. friend, because I know now I have one supporter for that proposition; but I really do not think the public are ready for it. I think the people would rebel. They will have to be seized more than ever of the fact that they must have marketable quality, or else they are off the British market with their fourth or fifth grade, as far as the butter is concerned.

Mr. CAMPBELL: Possibly I was wrong in saying that we should prohibit the export, but we might make stringent regulations for the different grades, and compel the exporter by law to live up to these grades. Possibly

we could even prevent the use of the word "Canada" on the lower grades of butter. Surely something could be done along that line.

Mr. MOTHERWELL: My hon. friend is on the right track but you cannot compel a man to live up to a grade. All you can do is to grade the butter.

Mr. CAMPBELL: You could refuse to give an export license.

Mr. MOTHERWELL: You could refuse to grade anything below No. 1.

Mr. CAMPBELL: Is that not possible?

Mr. MOTHERWELL: It is possible.

Mr. CAMPBELL: Or you could refuse to permit the use of the word "Canada". Let us have a high standard, and let it be understood that wherever the name "Canada" is used the article is of a high grade. It seems to me that we could build up a trade by doing something in that line.

Mr. WARNER: I have hesitated to speak at this time, as I felt that this was not the item under which to discuss marketing but now that the discussion has drifted into that channel I would like to say a few words. I feel that the hon. member for Mackenzie (Mr. Campbell) has struck a chord that we should consider. We do know that Canadian butter is not taking the place it should in the Old Country and we know we are not competing successfully with the grade Canadian with New Zealand but it is not because we cannot do it.

Mr. MOTHERWELL: Hear, hear.

Mr. WARNER: We can do it. We have done it in the West. In Alberta we have endeavoured to place on the market in the Old Country an article known as Alberta butter, rather than Canadian butter. I am in accord with the statements of the hon. member for Mackenzie regarding the grading. It is not a fair proposition for the Alberta butter to take the name of Canadian butter. I do not speak for Saskatchewan and Manitoba. Perhaps they have as good grades there, although I do not know. I do know however that a considerable quantity of Alberta butter has been sold in the Old Country as such and it is considered better than what is known as Canadian butter. I know too that it has competed successfully with New Zealand butter. There are no doubt a number of difficulties in the way but we have overcome many of them. I think it is quite unfair to us that butter made in the older provinces should go over to the Old Country under the label of Alberta butter. We have tried to establish a grade of butter over No. 1 and we have partly succeeded. I think the Dominion authorities should see to it that no butter goes over to the Old Country that is not properly graded. If the people in England want to buy either No. 1, No. 2 or No. 3 butter we can of course have no objection; but I suggest that we should have a grade as high as the best butter that we make in Canada, which is superior to what is called Canadian butter in the Old Country at the present time. We in Alberta have made a quality of butter superior to "Canadian butter"; and while I do not know all the facts, I can say, speaking generally, that butter made in New Zealand has not found as much favour either in the United States or in Canada as that butter we produce. The New Zealand butter is so slightly salted that it must be used quickly or it becomes rancid. I do not know whether we are going to be able to dispose of our butter profitably in the Old Country by means of Dominion grading, but we are successfully competing on the coast with New Zealand butter. There are only, comparatively speaking a few people who demand the very slightly salted butter, and there is no doubt in my mind that we could develop a very good market for our Alberta butter. I would advise the minister to spend a little money and devote some attention towards establishing and advertising a better grade than the present Canadian butter that is recognized in the Old Country. If the people in a part of the Dominion are making a quality of butter that is better than "Canadian butter," I think their interests should be protected and they should be put in a position to have that quality recognized through the means of a distinctive grading. In my opinion the government should see to it that these people are protected. Perhaps it is not worth while going into detail as to the way in which this butter is made, but there are firms making it out in the West, and the people in the Old Country want that butter and are willing to take it along with the New Zealand butter and to pay as much for it. I am interested in the dairy business and I know that we have been shipping to the Old Country a high quality product which we have not experienced any difficulty in disposing of. But the brand known as Canadian butter makes it difficult for us to sell our superior quality, so that we have to hunt up customers for our product. The government, in my opinion, should undoubtedly do something in this matter so that good butter such as we produce shall not, by reason of a mis-

understanding on the part of consumers abroad, be placed on a level with a lower grade. Rather, I think that the people throughout the country should be induced to make better butter to come up to the standard of the product produced in the West.

Mr. BROWN: We have been talking a good deal about the place where they make good butter and I would suggest to the committee again a line of action that would encourage a greater production of this commodity where it is now being made. When we were discussing the experimental farms I referred to the supply of dairy cattle for the province of Manitoba. I have here a letter which I received from a stock raiser in Quebec, and I might briefly refer to the circumstances under which I came to get into communication with this gentleman. A number of farmers in my own district were anxious to get a carload of heifers for certain purposes they had in view and they instructed me to get in contact with the breeders in Quebec to see at what prices they could procure such animals as they wanted, namely, heifers of from one to two years old. The letter I have here throws a little light on the statement that has been made, that there is an abundant supply of dairy cattle in eastern Canada. This letter, two or three points in which are very significant, is as follows:

Canadian Ayrshire Breeders' Association,
Ayers Cliff, Quebec,
April 2, 1924.

Mr. J. L. Brown, M.P.,
Ottawa.
Dear Sir,

Beg to acknowledge receipt of your favour of the 31st ult. in reference to securing a carload of Ayrshire heifers for shipment to Manitoba.

In reply beg to state that any surplus supply of Ayrshire females is very limited not only in this district but all over this province. American buyers have been coming in here frequently during the past year and buying at prices that prove tempting to our breeders. This applies more to mature stock. As to "in calf" two-year old heifers, the supply will not meet the demand from the government for these heifers to form the heifer clubs being formed throughout this province and the Maritime provinces. We recently had a buyer from Truro, N.S., offering from $150 to even $200 for good two-year old heifers well along in calf for these heifer clubs, but he was unable to secure a carload either in this district or eastern Ontario, so did not buy.

It is our intention, just as soon as roads are suitable to travel, to endeavour to purchase for ourselves about 25 or 30 head of Ayrshire heifers of good dairy type between the ages of one and two years, breed them at about the age of 2 years and be prepared to meet this demand for "in calf" heifers a year from now. We anticipate having to pay fairly good prices for suitable stock but we feel assured that we can sell them at a fair profit over and above their keep next year.

With this in view, we believe that we could supply you a carload of select heifers between the ages of one year and two years of age, of good dairy type, well developed and suitable for the purpose you mention for an average of about $100 each loaded on car, all of course to be tested for T.B. by a federal veterinary. It is possible that the average price might be slightly less, but we doubt if very much less owing to the excessive demand at the present time for good breeding stock.

If you desire we can inform you a little more definitely as to this about the latter part of this month.

Respectfully yours,

The foregoing letter clearly disposes of the contention that there is a supply in the East of the kind of cattle which the people in the West require, and it is an additional argument why we should have access to that source of supply which I brought to the attention of the committee a few nights ago, the state of Wisconsin. If I were making a speech on the desirability of closer trade relations with the United States I might very properly point out that it would be to the advantage of every one if the Americans in the New England states were permitted to do freely what this writer says that they are actually doing now, namely, coming in and buying stock, and if we on the other hand had access to the source of supply that is nearest to us. I would impress this matter upon the minister and the government as well as upon the gentlemen who compose the official opposition.

Mr. MOTHERWELL: No hope.

Mr. BROWN: I will not say it is hopeless; perhaps the minister is more pessimistic than I am. I should like to impress upon the official opposition that this is a demand from the West. The dairy industry is of importance and increasing importance, and the people there are very anxious to get, not a few years after this, but immediately, a big supply of dairy cows. I have testimony here that these are not to be secured in eastern Canada at prices that will enable us to purchase them, and other evidence can be furnished. I know it is true that a government official was sent into the state of Wisconsin to make inquiries regarding dairy cattle. It is possible to find the things you want to find if you want to find them, and it is possible not to find them if you go with the intention, in the first place, of keeping your eyes shut. How far that was the case I am not prepared to say, but I call these facts to the attention of the committee. It is a matter of immediate and urgent necessity that the farmers of Manitoba should have a supply of dairy cattle.

Mr. SPENCE: My hon. friend stated that the Americans were buying cattle in Quebec and taking them to the New England states.

Mr. BROWN: That is the statement in this letter.

Mr. SPENCE: Are they taking them into the United States free of duty, as you want to bring them in free of duty?

Mr. BROWN: I am not concerned about that point.

Mr. SPENCE: We are.

Mr. BROWN: If I want to buy good stock, I want to buy it. I do not propose to act, according to common parlance, to cut off my nose to spite my face. If the Americans see fit to put up a Fordney tariff against their own people, against purchasing these cattle in Quebec, that is their business. We want to buy these cattle, and there is no reason why we should act in the spirit that I have mentioned by refusing to avail ourselves of a source of supply.

Mr. WARNER: When I was speaking before, I omitted saying something that I feel I would like to say. In regard to the New Zealand government being able to control the grade of their butter much more easily, I will admit what the minister has said, that the New Zealand butter is all handled under one government, while ours is made and handled under provincial laws. I pointed out that I thought the Dominion government could help out by requiring a certain grade for export butter. I realize that it is easier for New Zealand than for Canada to get the regular grade, but I think the Dominion government can, and I would like to see them take the position that they would, control the grade of export butter. That is important. That is one way in which we could equal the New Zealand government regulations. If the Dominion government can have control over the butter which is going out, the question of what is used at home will not be quite so serious. I want to point out further that what is needed in the Old Country is not the same quality that is needed in most parts of this country, neither is it the same quality as is needed in the United States. We have to make a butter that meets that market in order to get the market at all. Therefore, it would be well for the government to have regulations that would require a certain butter going to the Old Country and to see that only those grades went there, in order to hold the Canadian butter as high as possible in that market.

Mr. CALDWELL: I have a request to make of the minister. My deskmate, "the man from Glengarry" (Mr. Kennedy), I know, wants to make some remarks on this subject. I would ask the minister if he would let this item stand over for further discussion. I do not want to curtail the discussion at the present time, and that is why I did not speak sooner.

Mr. MOTHERWELL: The hon. member for Glengarry and Stormont wants to discuss this question. He had some conversation regarding some of these points, especially with respect to grading, and I may say that I shall be pleased to accede to the request.

Mr. WARNER: Has the minister any idea whether it would be possible to carry out the request as regards the Dominion government having a fixed grade?

Mr. MOTHERWELL: We have a fixed grade. That is not the trouble. It is the butter that is wrong, not the grade. The butter has to be improved. The grade, I think, is all right.

Replying to the hon. member for Lisgar (Mr. Brown) with respect to the Wisconsin cattle, I expressed my personal views regarding the matter, but I pointed out that duties on cattle or anything else had not the habit of falling off between sessions of this parliament, and they do not fall off any too easily when the House is in session. We shall have, however, to leave that matter until a little later on. Further, I did not figure the Ontario or Quebec cattle as an alternative to the Wisconsin cattle when I was speaking about them before. I was speaking about the young stock purchased by western farmers, especially at the large stock markets at Moose Jaw, Calgary, Prince Albert, young dairy-type heifers, to be bred up suitably and along the lines that most authorities consider to be the best way for a poor man to start. My hon. friend shakes his head. I gave my authorities. He may be right for immediate results this summer, but we cannot be living so much in the immediate present and disregarding entirely the future. Manitoba is in the humour of going into dairying, and I should like to be able to let her buy wherever she likes. At the same time, I recognize that there is another side to the question. I do not want to put up the protectionist side, but I am not going to say that there is not something to be said in connection with that side. Some day we shall be negotiating with the United States on the question of reciprocity as regards cattle and other domestic animals. If one of my hon. friends opposite was arguing the matter, they would tell us not to give away our case in advance.

Mr. HOEY: Why not negotiate now with respect to cattle?

Mr. MOTHERWELL: I thank my hon. friend for drawing that to my attention. I

may say that we did. On the occasion last fall when the matter was up, I took it up with the Acting Minister of Finance (Mr. Robb), not in council but personally, and he immediately communicated with Washington on the question of reciprocal arrangements in connection with this class of cattle, and, I think, of sheep as well. I have not had an opportunity of discussing the matter with him lately, but prior to a few weeks ago he had not had an acknowledgement of his communication. My hon. friend knows pretty well what shape congress is in at the present time. They are not very free to to do what they like. There is what is called a farm bloc there, and both sides are apparently wanting to please that bloc with the idea of avoiding a third presidential candidate. They do not propose to antagonize them by doing anything in connection with letting dairy cattle enter Canada free. I may say that I do not look for very much in the near future, although the Acting Minister of Finance communicated with them in the hope that possibly there might be some change of heart.

Mr. WARNER: I have not quite finished yet. I should like to point out to the minister that the people who are making the best grade of butter in this country are getting tired of having their butter pulled down to the lower grade, instead of something being done to make the other fellow come up to the higher grade. That is the condition now, and we would like to see some arrangement made which will pull the other fellow up instead of his pulling us down. We are trying to get away from that by turning out a grade above that of the Canadian butter, but I believe that the Canadian grade should stand for the very highest quality.

Mr. MOTHERWELL: One way of doing that would be to prohibit the export of the low grade butter. In addition to the government grade that is put on at the various centres in Canada, any province is permitted to put on its own private mark, and that applies to almost any product that the farmer exports. My hon. friend has intimated that the Alberta brand is put on the butter exported from that province in addition to the regular federal brand. There is nothing to prevent that, therefore he is getting the benefit of the reputation that has been built up through that system. As yet the Alberta brand is better known than the federal brand. The provinces have built up a reputation by their own private brands in the past, and it is only in recent months that there has been a recognition of the value of the federal brand. It will be a year or two before it is fully accepted the same as our wheat grades are, and in the meantime any province may put on its own private brand and get the benefit of the reputation it has built up in the past.

Mr. JOHNSTON: If that is so; if the provinces can brand their own butter, thus building up a reputation for grade better than that carrying the Canadian brand, why not provide for grades one, two and three and let it sell on its merits?

Mr. MOTHERWELL: We do.

Mr. WARNER: I am not quite satisfied yet. I do not like to feel that a province must do something that the Dominion is not doing in order to get a good market for its butter. That is what we are doing; we are forced to take a place over that of the Canadian butter, and I do not believe that is right. I believe that "Canadian" ought to stand for the very best, if it is possible to get it; if not, then, as the hon. member (Mr. Johnston) suggests, we should provide for grades one, two and three. But let us make the grade high enough to correspond with the best butter made in Canada. Let the other fellow take the smaller price if he wants to, but let him not come under our wing, sell with us and oblige us to take a lower price in order that he may dispose of his butter in the same market.

Mr. CAMPBELL: If I understood the minister rightly, he is afraid there will be some objections in the eastern provinces to these export regulations. I have gone over the trade figures and I am convinced that practically no butter is exported from Ontario and Quebec. If that is so, even admitting that there would be objections in the eastern provinces—which I am not ready to accept —then very little Ontario or Quebec butter would come under those regulations. I assure the minister that it means almost the existence of the agricultural industry in the prairie provinces to-day, because with the present price of wheat it is almost impossible for the farmers to continue unless there is a market for their butter in the United Kingdom. In spite of the economic conditions there, the figures show that the purchase of butter in that market is expanding year by year, and we are not even holding our own; we have almost entirely lost the market. We shipped a few cases of butter to New York last summer, but that is only a very small amount. It costs from the town of

Yorkton in the eastern part of Saskatchewan about $1,300 to ship a carload of butter to New York; you can see what it amounts to when you pay the duty as well. So it is much easier to deliver it in England than in New York. I am not entirely satisfied that this situation cannot be coped with in some way.

Mr. MacLEAN (Prince, P.E.I.): I fully agree with what the hon. member for Mackenzie (Mr. Campbell) has just said. I know from correspondence with Dr. Ruddick that no man has been working harder on this question of bringing up the grade of Canadian dairy products than he has. The difficulty is that you cannot legislate too far ahead of the ideas or the wishes of the people. However, I see a great deal in the contention of the hon. gentleman from Strathcona (Mr. Warner) who says that they are able to put on the market a better grade of butter than the Canadian butter in general. There is one fact that I think it would be well to bring out, and that is whether the Alberta butter really is a better article than what is known as the Canadian special. Our factories at present are all, I think, under registration. We have the inspection beginning at the factory; from each factory the registration number goes on the package, whether it is butter or cheese, and that identifies the product of that factory when it arrives in Montreal. What happens after it arrives there or what further grading takes place I am not in a position to say, but it does seem that if one province is able to put on the market a better article than the Canadian product as a whole, some consideration should be given to that province in order that they may receive the benefit of the better product they are putting up. I would like to ask the minister if a pasteurizing plant has been established in any of the factories for experimental purposes for this year, and if so where the plant is situated?

Mr. LEADER: I understood the minister to say that the government had approached the officials at Washington in regard to reciprocity in dairy cattle. If that is the case I would like to point out that while the dairy industry is very important, and the live stock industry in general is very important also, that phase of it which deals with beef cattle should be taken into consideration as well. When the government approach Washington in regard to reciprocity in cattle, let them not forget the beef cattle industry of the West and let them have the duty removed from feed cattle and fat cattle entering the United States. One of the greatest blows the western farmer ever received was when the United States government put the high duty on our feed cattle entering that country, and if that barrier could be removed I believe that great prosperity would be brought to the cattle raisers of the West. I would urge upon the minister, therefore, that when the opportunity arises he give due consideration to the beef cattle interests of western Canada.

Mr. MOTHERWELL: With reference to the question asked by my hon. friend (Mr. MacLean, Prince) with regard to the establishment of an experimental plant for the pasteurization of cream or milk, I may say that one was established in this province by the Hon. Martin Burrell. At the time it was established I do not think they did any pasteurization of raw material, but down at Finch there is a dual factory where both butter and cheese are manufactured, and during the past two or three years we have added to it a pasteurization plant to deal with cream and milk in the manufacture of butter and cheese. I have to give my predecessor every credit for establishing this institution. I think it is exactly what is required, to demonstrate right before our eyes the advantages of an institution of that nature, sufficiently large to warrant getting first-class men and paying good salaries, and large enough also to install pasteurizing machinery. I think I may be pardoned for following that good example. It is my hope to establish a similar institution in some of the other provinces; I have not decided just where; if the provincial governments will give some monetary assistance to help that out, because the farmers themselves are not in a position to put in the necessary capital and consolidate these factories, I think we shall be making a good start to even up with Australia and New Zealand.

The hon. member for Portage la Prairie (Mr. Leader) has made some suggestions that he can elaborate a little on the live stock vote, if he wishes.

With regard to the suggestion of my hon. friend from Victoria and Carleton (Mr. Caldwell) that this item stand so that the hon. member for Glengarry and Stormont may have an opportunity of discussing it, and the suggestion of the Chairman that we let this vote go through, and further in regard to the appointment of Mr. Wilson or a representative in the Old County whose primary duty it will be to look after the dairy industry there, I can assure my hon. friend that the hon. member for Glengarry and Stormont will be given the opportunity for the fullest discussion of any matters he wishes to bring

up, even to the extent of my cousinship with Mr. Wilson; the discussion can be as wide as possible.

Mr. TOLMIE: In the matter of the importation of dairy cattle I would ask the minister if it would not be possible for him to give some clear cut figure, taking Manitoba as a centre, and showing us the cost of cattle in Ontario and Quebec, the cost of freight to Manitoba points, the cost of cattle in Wisconsin, freight and duty to the same points in Manitoba, and also what it would cost the farmers in actual dollars and cents to supply themselves in their own province.

Mr. MOTHERWELL: I shall be pleased to give that information.

Mr. ROSS (Simcoe): I do not rise for the purpose of opposing this vote or delaying the discussion, but as I shall be away for a few days and may not be here when this question comes up again, I should like to ask one or two questions of the minister for information. There is a subdivision of the Dairy branch engaged in cow testing, with six dairy promoters. What are their duties? Do they test the milk, and how is this work performed?

Mr. MOTHERWELL: I presume my hon. friend refers to the ordinary cow testing, not what we call the record of performance of pure-bred cattle.

Mr. ROSS: (Simcoe): Yes.

Mr. MOTHERWELL: That is being transferred from this vote to the live stock vote, but I will discuss it now. Some provinces are engaging in this work on the ground that they are nearer the base of operations and can do the work more cheaply than we can. It is only in such provinces as will not take this work up that we have been doing cow testing. It is done through a representative of ours who goes round and organizes a cow testing club, the members of which send in their samples of cream to the respective cheese factories or creameries. For instance, if my two hon. friends sitting in front of me were partrons of a cheese factory or creamery and belonged to one of these little clubs, they would send in their samples three times a month to the operator of the creamery. He would test them for butter fat and send the results back to them. A charge of ten cents per test is paid by the respective patrons to the operator of the creamery. That has been the procedure in those provinces where we are carrying on this work. There are three provinces doing this work themselves. Wherever this work is looked upon as important and we are received favourably, we do the work. In some provinces the work of cow testing is not done either by the provinces or by us.

Mr. CALDWELL: Is any testing being done in New Brunswick, and if so, at what points?

Mr. MOTHERWELL: In a number of provinces we have a sort of co-operative system, working with the provincial authorities. We do that in Manitoba and New Brunswick. The New Brunswick provincial authorities organize the clubs and we pay the cost of the tests to the creamery men.

Mr. CALDWELL: How many clubs are there in New Brunswick?

Mr. MOTHERWELL: I have not got that here.

Mr. ROSS (Simcoe): Is any work of this kind being done by the government in Simcoe county? A number of us there were interested in this cow testing and we had no opportunity of having it done, with the result that a few of us got together, bought our own outfit, and do our own testing of the milk for butter fat. I should like to know if anything is being done along this line in Ontario by either provincial or federal authorities, or have we to do it for ourselves?

Mr. MARTELL: Would the minister also give us the figures for Nova Scotia, which is sometimes said to be the province that was passed by, and we always feel that. I would like to know what the arrangement is in Nova Scotia.

Mr. MOTHERWELL: Nova Scotia is making very substantial progress not only along this line, but along the line of grading cream and milk, with the result that she is pulling up the quality of her goods proportionately. I will give the figures for some of the provinces. Saskatchewan has a system of her own, and is not included in this list:

Province.	Number of herds tested.	Total number of cows tested.	Total number of cows tested. 8 months or longer.	Total tests made.	Average number of tests per cow.	Percentage of total cows tested, 8 months or longer.
Ontario.. .. .	783	10,347	1,229	41,582	4	11.8
Nova Scotia..	360	2,520	860	13,497	5.3	34.1
New Brunswick.. .. .	137	1,061	256	4,879	4.6	24.1

Manitoba is a little less. Alberta is more. British Columbia is less still. Prince Edward Island is fairly large for the size of that province. There were 164 herds tested.

Mr. MARTELL: May I ask the minister if he has any bulletin or any statistics in the

department in regard to these tests, showing where the test took place, who owned the cattle, and so forth, which can be supplied to our farmers in Nova Scotia?

Mr. MOTHERWELL: We have no special bulletin.

Mr. MARTELL: But information can be secured?

Mr. MOTHERWELL: It is outlined in some of the reports.

Mr. MARTELL: Can it not be tabulated for particular counties and supplied in that form?

Mr. MOTHERWELL: I think so.

Mr. ROSS (Simcoe): I should like the minister to give us some information about the pre-cooling plant down at Waterville in Nova Scotia.

Mr. MARTELL: That is a very pertinent question.

Mr. ROSS (Simcoe): I would like the minister to give just an outline.

Mr. MOTHERWELL: I will give it in connection with the next vote for cold storage.

Mr. ROSS (Simcoe): It is under the heading of dairying I think. However, I am willing to wait. I wish to ask another question in connection with supplies that were sent down. I see there were 450 bales of shavings bought from Edwards and Company of Ottawa at 20 cents a bale, costing altogether $90, and the freight for shipping it from Ottawa amounted to $201.

Mr. MOTHERWELL: They got a pretty big shaving out of it.

Mr. ROSS (Simcoe): I wonder why the purchase was not made locally thus saving the expense of shipping from Ottawa at a cost of $201?

Sir HENRY DRAYTON: Yes, and that in a wood country.

Mr. MOTHERWELL: These articles are bought by tender. Consequently Edwards and Company notwithstanding the freight must have been able to underbid their competitors

Mr. LEADER: I should like an explanation as to the legal payments made in connection with the dairying industry. There seems to have been no less than thirty-two lawyers who have been paid fees in connection with this industry judging from the Auditor General's report for 1922-23. It is true the fees of these lawyers are very moderate, but it is their very moderation that excites my curiosity. I should like the minister to explain why it was necessary to hire this legal talent?

Mr. MOTHERWELL: There were a good many infractions of the law under the Dairy Industry Act. Since the new law was enacted last year there has been a considerable improvement in that respect but under the old law there were numerous violations. There is the question of the percentage of water for example. One of the arts of dairying is to assume that there must be more than 16 per cent of water. We have got to keep track of that. Then the oleo offenders used to infringe the law a little bit and we had to keep track of them. These lawyers had to be employed. I do not know the amount of charge that is indicated but we have tried to keep it as low as possible. The lawyers in question had to be hired on account of these prosecutions.

Mr. MARTELL: May I say to my hon. friends opposite that if qualified lawyers were employed there would not be half the expense. The trouble is we have too many so-called lawyers who have never been admitted to the bar.

Mr. SPENCE: What the minister says is an absolute fact. Notwithstanding what some hon. members to my left contend, it would be an impossibility to have a regulation calling for the export of only one grade of butter to the United Kingdom. Over there they buy butter on one, two and three grades, the same as other products; there is no reason why the British people should not be able to buy in Canada just what they want. May I also say to hon. gentlemen to my left that I am glad they are taking an interest in the development of the dairy industry in the western provinces. I am especially glad of that because it has been repeatedly stated that there is no prospect for any industry in the West except raising wheat. To-day my hon. friends admit that the dairy industry is well established there and that it is going to pay. Not only that, but western exporters are willing to compete with commodities from countries like Denmark, the Netherlands, and Australasia. I am happy to know that my hon. friends from the West are getting into another branch of industry, besides that of growing wheat, and I hope they will prosper and make a thorough success of it. Dairying is one of the best industries in the country, and I hope it succeeds in the West.

Mr. CAMPBELL: I am not aware that anyone in this section of the House ever suggested that the exports of butter to the Old Country should be confined to one grade. I understand the suggestion was that there should be a grading and export system regardless of the number of grades. Neither am I aware that any hon. member in this group ever suggested that we could do nothing else in the western provinces but raise wheat. As a matter of fact, we shall not be able to do anything else unless something is done for the dairy industry. At present there is practically no export market for our dairy products, and yet we have been expanding in this direction by leaps and bounds in the West. It is surely time that remedial measures were adopted.

Mr. SPENCE: If products of the right quality are exported to the British market they will realize a good price. Over there they will pay for quality no matter where the product comes from.

Mr. McQUARRIE: Could the minister inform me what the importations of dairy products from the United States were last year, allocating the amounts to the various provinces?

Mr. MOTHERWELL: I have not got that information here but the importations did not amount to very much. What my hon. friend desires is the amount of importations of butter from the United States to the nine provinces respectively. The amount is very small, but I have not got the exact figures. We shall be in committee again and I shall get the information for my hon. friend. We have been shipping quite a good deal of butter back there. Last year the amount was very considerable.

Mr. McQUARRIE: What amount of butter was shipped?

Mr. MOTHERWELL: I understand that 12,000,000 pounds—comprising milk, butter and butter fat—were shipped to the United States.

Mr. McQUARRIE: From which provinces?

Mr. MOTHERWELL: Chiefly from Ontario and Quebec. Manitoba also shipped a very substantial amount.

Mr. McQUARRIE: British Columbia and the other western provinces, import a good deal of butter from the United States, do they?

Mr. MOTHERWELL: Our information is that there is very little importation there. However, I will get that data for my hon. friend. British Columbia has been getting her butter in recent years principally from Alberta and some from Saskatchewan. I have no doubt there are times in the winter, say in January and February, when she gets some New Zealand butter, which even finds its way as far east as Montreal. There was not much this year, but some of it went right through to Montreal.

Mr. McQUARRIE: Will the minister inform the committee of the amount of exports to the United States from British Columbia?

Mr. MOTHERWELL: No we have not got that information. We have here the total exports from Canada to all countries of butter fat in its various forms, whether it is butter or cheese or cream or powdered milk, or whatever it is. It is a very elaborate statement of figures and I do not know that the committee would be interested in it at this time of night.

Mr. McQUARRIE: It does not matter what time of night it is; it seems to me we should have more information before the item passes.

Mr. MOTHERWELL: I could give my hon. friend the total exports. The export of butter fat in the various forms of cream, milk, butter, cheese, powdered, condensed and evaporated milk was 75,674,606 pounds; in round numbers nearly 76,000,000. The amount of cheese would be 116,202,900 pounds. The milk and cream are in separate figures. I think to make it intelligible the whole page would be required to be placed before my hon. friend. I might give the total. If there is any particular item he wants I could give it.

Mr. TOLMIE: I would like to get the number of pounds of fresh butter exported from Canada last year.

Mr. MOTHERWELL: The figures are 13,173,711 pounds.

Mr. TOLMIE: How many pounds went to France?

Mr. MOTHERWELL: We have not got that. That is the total export.

Mr. TOLMIE: I notice that in the states of Washington and Oregon they are building up quite an export trade with China and Japan, and are shipping condensed milk, powdered milk, cheese and butter. Is the

minister's department making any effort to get a share of this business?

Mr. MOTHERWELL: Yes, I understand that some of our products are going to Japan. A very considerable number of cattle are being shipped there.

Mr. TOLMIE: Does the minister know what the export of butter to Japan was last year?

Mr. MOTHERWELL: No.

Mr. WHITE: Can the minister say what the importation of butter was last year?

Mr. MOTHERWELL: It was very, very small. We have not got the record of it. We have no report at all of those shipments. It was largely consumed in the British market. The export of Alberta butter increased last year by nearly 3,000,000 pounds. The proximity of Alberta to British Columbia permits it to compete with New Zealand butter.

Mr. COOTE: For the information of the hon. member for Wentworth (Mr. Wilson), could the minister tell us what the production of butter in the prairie provinces was for the last year?

Mr. MOTHERWELL: Of creamery butter, Alberta produced 18,000,000 pounds, Saskatchewan 10,000,000 and Manitoba 10,000,000.

Mr. MARTELL: Can the minister tell us the position of the different creameries with regard to aid given to them? Are they all under the same equation as to aid given by the government?

Mr. MOTHERWELL: No. The only aid given has been to the experimental station at Finch. No assistance was given to the cheese or milk factories. That is a matter of provincial jurisdiction, excepting the experimental station at Finch.

Mr. MARTELL: What province is that in?

Mr. MOTHERWELL: Ontario.

Mr. MARTELL: Why not give the same aid to experimental stations in other provinces?

Mr. MOTHERWELL: I do not know what my predecessor had in mind, but I think he wanted the station near Ottawa where he could administer it conveniently and with the least possible expense. I suppose the idea was to try one out first. Then if that was successful and was an indication of the type of factory that was considered suitable in other parts of the country, it was thought possible that these people would take their cue from that and establish similar factories wherever it was practicable. But these are hard times for making capital investment, and the result is that people are slow to take advantage of the examples that have been set. We have in mind the establishment of another station. If my hon. friend has any thought that it would be acceptable in Nova Scotia, I am prepared to entertain it.

Mr. MARTELL: Perhaps you could make a success of it in Hants.

Mr. TOLMIE: Have you the figures for the importation of butter?

Mr. MOTHERWELL: I have the figures for the amount of butter brought in from New Zealand and Australia. The quantity from New Zealand was 1,893,312 pounds and from Australia 13,758 pounds. One of the reasons for the difference is that New Zealand gets the benefit of the British preference, while we have no preferential arrangement with Australia.

Mr. WHITE: Are the figures for 1922 available?

Mr. MOTHERWELL: We have them dating back to 1907. In 1922 the amount was from New Zealand, 2,268,760 pounds and, from Australia, 297,132 pounds. Nearly twice as much was brought in from New Zealand in 1922 as in 1923. We can go back further if my hon. friend desires it.

Mr. DOUCET: Do we require a certain grading when we buy foreign butter?

Mr. MOTHERWELL: We do just as other countries do with respect to our butter; we buy butter on the grade of the country from which it comes; and we hope that when they get familiar with our grades they will buy the same way, but as yet they are not sufficiently familiar with it to accept our grade at the face value, as they probably will later on.

Mr. DOUCET: The minister said there was a preferential tariff on New Zealand butter coming in and that accounted for a larger importation from New Zealand than from Australia. Would it not be to the advantage of this country if the preference to New Zealand were wiped out in order to protect our own industry?

Mr. MOTHERWELL: The regular duty on butter is 4 cents per pound and under the

preference with New Zealand it is 3 cents. My hon. friend's query raises a budget question which I am sure he does not want to enter into now. Of course if one believes unreservedly in protection to an old industry like dairying one can easily find an argument for raising the duty from 4 cents to 8 cents to correspond with the duty against us going into the United States. The suggestion has its attractions but not to the consumer in Canada.

Mr. DOUCET: I realize that the question does raise the subject of protection and I do not expect the minister to give a definite opinion this evening. But he might influence his colleagues into making a revision of the tariff when the proper time comes.

Mr. MARTELL: Does the hon. gentleman want the fishermen who are not farmers in his county to pay a duty on butter?

Mr. DOUCET: We are not discussing fish now; the subject is butter. It is as important to this industry to have protection as it is to make provision for dead insects as we have been doing all afternoon. In connection with this industry, will the minister tell the committee what his department has been doing in the matter of contagious abortion?

Mr. MOTHERWELL: That comes under the Health of Animals branch. I was reading an interesting bulletin on the subject during the dinner recess, but I do not think we could very well discuss it at the present stage.

Mr. DOUCET: I thought it could very well be discussed under this head because it has everything to do with the conduct of an important industry in this country.

Mr. MOTHERWELL: The disease is certainly contagious and it is incomprehensible except to the initiated. However, it comes under another vote.

Mr. McQUARRIE: We have been told to-night that the trouble in connection with the dairy industry is the inadequacy of the market for butter and cheese and other dairy products produced in western Canada. A good deal of Alberta butter and cheese go into British Columbia and I presume that if there were a greater market in that province for these articles the province of Alberta would profit. At present, I understand, a considerable quantity of butter and cheese, and other dairy products as well, are imported into British Columbia from the United States, and if that importation could be stopped it would give the Alberta and British Columbia people a better market. The present situation is a most unfair one as the minister must realize. He said that if any one wished to preach the doctrine of protection this was a good argument. Well, obviously there is a good argument in the inequality of tariff as between Canada and the United States on dairy and other products.

Mr. MOTHERWELL: We all recognize that.

Mr. McQUARRIE: It would seem to me that the proper thing for Canada to do would be to raise its tariff. We could do that even if we were not able to negotiate with the United States, which does not seem to be possible on the minister's statement. Indeed, it might not perhaps be deemed advisable in some quarters. But if it is not possible to negotiate a reciprocity agreement with the United States surely we can increase our own tariff and so place this country on an equality with the people south of us.

Mr. MARTELL: Is my hon. and personal friend in favour of reciprocity with the United States?

Mr. McQUARRIE: The matter has been discussed many times in our province and I take it that the attitude of the people of British Columbia would be of more interest to hon. gentlemen than the personal opinion of any member of this House.

Mr. MARTELL: I have every respect for my hon. friend, though.

Mr. McQUARRIE: I am glad to hear that; the hon. member for Hants is always very kind. I have no objection to giving my own personal opinion on the subject if it will interest the committee. I do not think that there should be any general reciprocity with the United States, but we should have a better tariff arrangement which would place us on an equality with that country, and if that can be arranged by negotiation, well and good. I would favour such an arrangement with regard to certain products such as butter and other dairy products and also eggs. The subject of eggs is a very serious one just now owing to the fact that the market in British Columbia is in very poor condition; in fact it is so bad that a great many of those who have gone into the poultry business are giving it up altogether. If my hon. friend (Mr. Martell) has been keeping in touch with the western newspapers, as I have no doubt he has, see-

ing that he is interested in the West, he will know as well as I do what disastrous results have attended the present unsatisfactory condition in relation to the tariff on eggs. I am not going to get into a discussion of that subject, because we are talking about the dairy industry. I suggest seriously to the minister, however, that the present position is most unfair. I can tell him, as he no doubt is already aware, that British Columbia is suffering to a considerable degree, as probably Alberta is also, from the present tariff arrangement, and it seems to me that the solution of that particular matter is very easy. We can raise our own tariff so as to shut out American products from our market and thus give our own people a fair chance. I have asked some questions in regard to the importation of dairy products from the United States to British Columbia, and I had a reason for wanting the information. I am not at all satisfied with the attitude which the minister has taken in reference to those questions. He tries to push me to one side and he says: "The hour is late," and because of the lateness of the hour, he does not think he should be asked to answer those questions.

Mr. MOTHERWELL: We will make a note of them for the next day.

Mr. McQUARRIE: We are on this subject now. The minister thinks I am unreasonable.

Mr. MOTHERWELL: No.

Mr. McQUARRIE: But a few days ago I tried to discuss another subject, the question of the failure of the government to continue the grant under the Agricultural Instruction Act. The minister said: "No, you are not in the right place; you should get down to the end of the list," and I am afraid even at that he was trying to sidetrack me.

Mr. MOTHERWELL: No, we shall be prepared to discuss the question fully then.

Mr. McQUARRIE: I know the suggestion was made that it would be taken up when we got to "Appropriations not required for 1924-25." What I am afraid of is that when we get down that far, then we have passed all the items in the agricultural estimates, and the point might very well be taken: "Everything is passed; you are still out of order." That is the reason why I want to get answers to the questions I am asking in their proper place. I am afraid the minister will tell me later on: "You are out of order now, so I cannot give you this information."

I would insist on this information being given when we are on the proper item. I am not satisfied, and I think that information is absolutely essential.

Mr. BALDWIN: Does the hon. member think there is any necessity for an import duty on butter, cheese, milk or cream coming from the United States into Canada?

Mr. McQUARRIE: Yes, I think so.

Mr. BALDWIN: For what reason?

Mr. McQUARRIE: The reason, it seems to me, is fairly obvious. We want to save our farmers from the unfair competition that they are meeting with at the present time.

Mr. BALDWIN: What quantity of our products was imported from the United States into Canada during the last ten years?

Mr. McQUARRIE: Here is another hon. gentleman who wants this information. He is asking me because he thinks he cannot get any information from the minister.

Mr. BALDWIN: The answer, I believe, is that these products are not coming in because in the United States butter is selling at from eight to ten cents a pound higher and cheese from four to six cents a pound higher than in Canada, and enormous quantities of milk and cream are being shipped from Canada to the United States, but to my knowledge none is coming this way.

Mr. McQUARRIE: I think we should have that information, because the hon. gentleman has one opinion and I have another. I happen to know that in British Columbia, big truck loads of dairy produce are coming through the Fraser valley into the Vancouver market every day. I am asking the minister to give the information which the hon. gentleman also wants to have, and I do not see how this committee can intelligently deal with these estimates unless we have reasonable information of that kind. I am not trying to obstruct, or anything of that character. I do not think the minister can complain that I have ever done that in connection with his estimates. That is not my idea, but I would like to get the information and get it now on this particular item. If I cannot get it, I shall have to take up something else.

Mr. MOTHERWELL: I have not got it.

Mr. BALDWIN: I should like to ask the minister how much milk, cream, cheese and butter have been imported into Canada from the United States in the past year, or for the past ten years. That must be a local condi-

tion only where they cannot get these products from the Canadian side.

Mr. MOTHERWELL: I have been discussing this matter with my hon. friend, the hon. member for Fraser Valley (Mr. Munro), and he tells me that he has never seen any American butter in his constituency in British Columbia for several years. The quantity is so negligible that it will not amount to enough to affect the market. It cannot be coming into Canada in very large quantities, and we shipped large quantities to the United States last year. There might be a locality in which the movement is in the opposite direction, but the quantity is not large. With regard to the question my hon. friend asked me with regard to duties, I admitted a little while ago that there were arguments in favour of his contention for putting up the duty; but what will the consumer of Canada say about that? I am far more interested just now in getting duties down than in putting them up. Later on we may attend to that, but we cannot look both ways at once.

Mr. McQUARRIE: The information which the minister has received may be reliable as regards the constituency of the hon. member who gave the information, because he may not have seen any of this American butter. Perhaps he has not, where he is residing, in a dairying community in the Chilliwack country. They would not be likely to see it.

Mr. MUNRO: What particular brand of dairy produce has the hon. member seen? What is the trade-mark on the American butter coming to the Canadian side?

Mr. McQUARRIE: I am asking for information.

Mr. MUNRO: The hon. member stated that it was coming in.

Mr. McQUARRIE: I said that dairy products are coming every day in truck loads from the American side into the Vancouver market. I am not saying that they are coming into the Chilliwack country.

Mr. MUNRO: What names are they coming in under? Is there no brand, no trade-mark, on them like New Zealand or Saskatchewan or Alberta butter?

Mr. McQUARRIE: The only brands I can give are American dairy and creamery butter. There are various brands, the brands of the people who raise these products in the state of Washington. The hon. member for Fraser Valley knows as well as I do that for the farmers and dairymen of the northern part of the state of Washington, the New Westminster and Vancouver markets are their closest and best markets, and they send their produce there instead of sending it to Seattle, for instance, which is much farther removed. The hon. member must know that a serious situation exists at present in regard to, not only dairy products, but eggs, and editorials are being written, not only in Conservative, but in Liberal papers, dealing with the subject and pointing out the unfairness of the present tariff arrangements.

Mr. MUNRO: Does the hon. member not know that the price of butter fat on the American side is higher at the present time and has been higher for a long time than it is on our side?

Mr. McQUARRIE: The hon. gentleman has asked me a question that I am not prepared to answer, because I have not studied the prices.

Mr. MUNRO: I know it is right.

Mr. McQUARRIE: The statement I have made is that American butter is coming into New Westminster and Vancouver and that other dairy products and products of the farm are being received. Considerable quantities of milk are coming in all the time, particularly in the winter when milk is scarce.

Mr. BALDWIN: If neither the minister nor my hon. friend can tell how much is imported, does he think that this butter is smuggled into Canada?

Mr. McQUARRIE: No, it is brought in right over the road. A paved highway, just like Sparks street, runs from Vancouver to the border and all the way down to the southern boundary of the state of California. This highway passes through the farming districts of the state of Washington, and over it come every day the products of the farm in large truckloads. That is the competition we are up against. I am not in a position to say what the exact volume of that business is, but there must be statistics covering it because everything has to go through the customs. That information must be available and I want to get it.

Mr. McBRIDE: In connection with the question of stock and butter coming in from the American side, I do not speak here as a lawyer but I speak as ex-president of the executive of the Stockmen's Association of British Columbia. In any meeting I have been in I never heard it brought up once be-

fore any stockmen's association that we were not prepared to meet any competition the United States stockmen could give. In fact, we can put it over on the Americans every time so far as raising stock is concerned; we can raise better stock and raise it cheaper. Before I left British Columbia to come here, a man came up from the States, bought something over twelve hundred head of cattle, took them to the States and paid the duty on them. Under these conditions I do not see that we should be afraid of them shipping in a little butter.

Mr. McQUARRIE: What about eggs?

Mr. McBRIDE: I am not a hen; I do not know.

Mr. McQUARRIE: My hon. friend has given us some very valuable information, of which his last statement is, I presume, the most valuable. He declines to answer any questions about eggs. I challenge him to deny that there is a strong agitation in British Columbia at the present time with reference to the importation of eggs from the United States, and that editorials have been published in practically all the papers out there regarding that subject. I still maintain what I said previously in regard to the importation of dairy products: it is taking place on quite an extensive scale. If the minister cannot give any information and wants to put the item through to-night, then I would like to deal with some other questions.

Mr. MOTHERWELL: I will bring down the information regarding the importation of dairy products into British Columbia on the vote under which the other matters referred to will be brought up, that with respect to the representative in Great Britain. That will bring all these things up.

Mr. McQUARRIE: I would like to get the imports into British Columbia, and the exports, and the same in regard to the other provinces.

Mr. MOTHERWELL: All right.

Mr. ROSS (Kingston): Is there any co-operation between the departments of dairying in the provinces and the federal government department, and is there any overlapping? For example, is there any co-operation as to the results obtained in the dairying schools, the one at Kingston, for instance and the one in western Ontario? Have they any connection with what the federal people are doing?

[Mr. McBride.]

Mr. MOTHERWELL: There is substantially no overlapping, because the duties of the respective governments are well defined. I have already explained that the provinces deal more particularly with the matter of manufacturing, the control of the quality of cream, the sanitary conditions of the factories, and so on, while the Dominion deals more particularly with grading and marketing. In addition to that, representatives from the provinces attend our conferences and on those occasions there is an exchange of views.

Mr. ROSS (Kingston): Is there any co-operation between the federal government and the provincial governments in regard to the quality? Is there any co-operation in the matter of these dairy schools, or is it just a matter of straight cleavage between the departments carrying on these different activities?

Mr. MOTHERWELL: There is as much co-operation as is possible where there are two separate and distinct spheres of activity.

Mr. ROSS (Kingston): That is exactly what I would like to get at. It looks as if we were wasting a lot of money. We are putting millions out here and millions are being spent in the provinces, the idea being to attain one object, namely, the improvement of the quality of the article we produce. Is there no parallel in these dairying matters?

Some hon. MEMBERS: Carried.

Mr. ROSS (Kingston): Is there no information? Is it just a case of what we have heard all the afternoon that there are two separate lines of work?

Mr. TOLMIE: If the minister is going to produce those figures, would he be kind enough to include the shipments of fresh butter to France? In addition to that, what has been the result of the shipments of butter to the Old Country by way of the Pacific coast and the Panama canal?

Mr. MOTHERWELL: I shall be glad to produce that.

Mr. McQUARRIE: What has been done, if anything, to take the place of the assistance which was given to dairying under the Agricultural Instruction Act? I notice that the estimate for dairying this year is the same as last year. So no addition has been made by reason of the fact that assistance under the Agricultural Instruction Act has been stopped.

I note in a report on the Agricultural Instruction Act for 1921-22, issued by the department, that for the fiscal year ending March 31, 1922, specific reference is made to amounts paid by the Dominion government under the act to assist dairying in some of the provinces. I understood from the minister that it was not so much the grading of butter which was material at present, in order to get us a better market, as the improvement of the quality of the butter, and I presume that the assistance given under the Agricultural Instruction Act was to assist in getting a better quality of butter. I notice that for the year mentioned there is an item for British Columbia, dairying, educational work in cheese and butter, $5,000; Manitoba, dairying, $6,000; New Brunswick, dairying, $4,100; Saskatchewan, dairying, $6,000; Nova Scotia, dairying, $6,000; British Columbia, dairying and cow testing, $9,000; that is all for that one year. I have not ascertained what amount was granted to Ontario, but there no doubt was some assistance given to dairying in that province. The items I have read make a total, I think, of $36,100 which the Dominion contributed that year towards assisting dairying and educating the farmer in dairying, and what I ask the minister is, what has been substituted for that assistance? Or has the Dominion decided to discontinue altogether the assistance which was covered by items such as I have mentioned?

Mr. McBRIDE: Mr. Chairman, there are only six Conservatives members in the House. Is that sufficient to carry on business?

Mr. MOTHERWELL: I have the assistance allocated to the respective provinces here, and the figures agree with what my hon. friend has read. I understood him to ask what are we substituting for that. From the estimates that have already been brought down in the western provinces I gather that they are taking up this work. I notice that the Saskatchewan legislature voted something like $54,000 for this work the other day, whereas formerly they got something like $80,000, so I presume they have dropped some of what might be called the secondary activities in which they were being assisted by the Dominion government under the Agricultural Instruction Act, and the more important features of the work they are carrying on to the extent of something like $50,000, speaking from memory. I happened to see the estimate in the western press the other day, so it would seem that the tendency of the provinces is to take up this burden and carry on the more important features of the work.

Mr. McQUARRIE: Is the minister referring to dairying?

Mr. MOTHERWELL: Not to dairying alone.

Mr. McQUARRIE: I was dealing only with dairying. I purposely left out the general questions pertaining to the discontinuance of this grant because I expect to take them up later, and I gave only the items under the head of dairying. As I understood it, this was a matter in which the Dominion was assuming exclusive control. Now what is the Dominion doing?

Mr. MOTHERWELL: Of course, we could not withdraw the grant and give it at the same time. If we withdraw it, we withdraw it, and the provinces I think will assume the more important features of the work with respect to dairying and everything else. There was a lot of good work done under that act, and the provinces will find the money, no doubt, to carry on the more important part of the work.

Mr. McQUARRIE: That is just guesswork. Has there been any arrangement effected with the provinces in regard to dairying? If there has, I think the committee should know about it.

Mr. MOTHERWELL: No arrangement since the grants lapsed.

Mr. McQUARRIE: So the Dominion government is not taking precautions to see that this work is carried on.

Mr. MOTHERWELL: How could we?

Mr. McQUARRIE: It seems to me that you are assuming the responsibility in connection with dairying, and you appear to be doing it. You are interested in improving the quality of Canadian butter. Surely the government should be responsible for continuing the assistance which was previously given in this connection. Am I to understand that no arrangement has been made with the provinces at all?

Mr. MOTHERWELL: That is right.

Item agreed to.

Progress reported.

On motion of Mr. Motherwell the House adjourned at 10.50 p.m.

Monday, April 7, 1924

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 36, respecting the Northern Life Assurance Company of Canada.—Mr. McKay.

Bill No. 37, to change the name of Imperial Underwriters Corporation of Canada to "Imperial Insurance Office."—Mr. Chew.

Bill No. 38, respecting the Esquimalt and Nanaimo Railway Company.—Mr. Humphrey.

THE UNITED CHURCH OF CANADA

Mr. ARTHUR DENIS (Saint Denis): Mr. Speaker, I desire to present petitions on behalf of the Rev. Mr. Hamilton, rector of the Shaw Memorial Methodist Church of Montreal, in support of the bill for proposed incorporation of the United Church of Canada.

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): I desire to present petitions from members and adherents of St. David's church, St. John, N. B., St. James Presbyterian church, Andover, N. B., Rothesay Presbyterian church, Rothesay, N. B., and Knox Presbyterian Church, Shediac, N. B., opposing the United Church of Canada Bill.

REDISTRIBUTION

APPOINTMENT OF SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move, seconded by Dr. Béland:

That the special committee appointed on Tuesday, March 25, to which was referred Bill No. 2, intituled, "An act to readjust the representation in the House of Commons," with instructions to prepare schedules to contain and describe the several electoral divisions entitled to return members to this House, be composed of the following members, Messrs. Béland, Boivin, Hanson, Humphrey, Johnston, Low, Kennedy (Glengarry and Stormont), King (Huron), Macdonald (Pictou), Morrissy, McQuarrie, Motherwell, McMurray, Rankin, Speakman, Stewart (Argenteuil), Stewart (Leeds), Stork and Sutherland, and that rule 11 be suspended in relation thereto.

Mr. WILLIAM IRVINE (East Calgary): Mr. Speaker, I would suggest to the Prime Minister that he consider putting a representative of the Labour party and of the Independent party on the committee. Though we are a small group in this House Labour in the various cities constitutes a considerable portion of the electorate, and it is my opinion that it would be advisable to have a Labour representative and an Independent representative on the committee.

Mr. MACKENZIE KING: Mr. Speaker, the committee to all intents and purposes is the same committee that dealt with this matter last session. It was left to the whips on the two sides of the House to endeavour to arrange a committee that would be satisfactory to all concerned. If there is any desire on the part of gentlemen opposite to change the personnel in any way, the government will be prepared to consider changes.

Mr. IRVINE: I am one of the whips on this side of the House. I was not consulted about the personnel of the committee.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CIVIL SERVICE—AVERAGE MONTHLY SALARY

Mr. McQUARRIE:

1. What was the average monthly salary paid to full time civil servants in Canada in (a) the Customs department, and (b) the Department of Agriculture, for the month ending February 28, 1914?
2. What was the average monthly salary, without the cost of living bonus, paid to full time civil servants in Canada in (a) the Department of Customs, (b) the Department of Agriculture, for the month ending February 29, 1924?
3. What were the percentages of increase?
4. By what percentage are the cost of living figures for the month of February, 1924, as compiled by the Dominion Department of Labour, greater than those for the month of February, 1914?
5. Is it not true that the salaries fixed in the reclassifications were based on normal living costs?

Hon. Mr. COPP:

Department of Customs and Excise.

1. (a) $86.01.
2. (a) $126.97.
3. 47.62 per cent.
1. (b)
2. (b) (Do not refer to this department).
4 and 5.

Department of Agriculture.

1. $107.29.
2. $138.94.
3. 29.5 per cent.
4 and 5. Nil.

Department of Labour.

1, 2 and 3. No information.
4. Fifty-two per cent.
5. No information.

D.S.C.R.—STAFF

Mr. MacLAREN:

1. What is the number of medical and nursing staff in the Department of Soldiers' Civil Re-establishment?
2. What is the number of other employees in the said department?

Hon. Mr. BELAND:

1. 475; consisting of,—247 medical officers, and 228 nurses.

2. 2,447; consisting of dentists, hospital orderlies, mental attendants, ward aides, technical and service staff in hospitals and sanatoria, as well as administrative and clerical services.

D.S.C.R.—PENSIONERS

Mr. CHURCH:

1. How many pensioners of the Canadian Epeditionary Forces have removed to the United States or other foreign countries during the years 1921, 1922, and 1923?
2. Will such pensioners have to suffer deductions from their pension cheques by reason of the discount on Canadian money there or have Canadian banks in the United States made arrangements with American banks by which such cheques shall be cashed at par?

Hon. Mr. BELAND:

1. The following statement shows the number of Canadian Expeditionary Force pensioners resident outside of the Dominion of Canada:

Date Year ending	No. resident in U.S.A.	No. resident in other countries, including Great Britain
31-3-22	3,620	7,868
31-3-23	4,103	7,870
29-2-24	5,054	8,009

2. Pensions are payable in Canadian funds. The government has not made arrangements with Canadian banks to relieve pensioners resident in the United States of America of the loss they may sustain by reason of the discount on Canadian funds in that country.

Mr. E. RAYNER

Mr. BANCROFT:

1. How much money was paid to E. Rayner of Selkirk by the Public Works Department during the fiscal years 1921-22, 1922-23, 1923-24?
2. Were contracts called for in every case?
3. Were contracts called for in any case?
4. How many tenders were submitted in each case?

Hon. Mr. KING (Kootenay):

1. 1921-1922	Nil
1922-1923	$1,335.10
1922-1923	1,303.50
	$2,638.60
1923-1924	56.84
	$2,695.44

2. No.

3. Yes. In two cases.

4. First case, two tenders submitted; second case, four tenders submitted; third case, no tenders requested; emergency purchase of seven piles for the Selkirk wharf from Mr. Rayner, who was the only one to have them on hand.

KINGSTON PENITENTIARY—CATHOLIC MISSION

Mr. DOUCET:

1. Was there a Catholic mission given for the Catholic prisoners in Kingston penitentiary similar to the Protestant mission for Protestant prisoners, during the past year?
2. If so, is it reported in the superintendent's report for that year?
3. If not, why?

Hon. Mr. LAPOINTE:

1. Yes.

2. On page 11 of the Superintendent's report is the following: "Religious missions have been held at all of the penitentiaries during the year."

3. Missions were held in all of the penitentiaries in both the Roman Catholic and Protestant churches, twelve in all—six Protestant and six Roman Catholic. One Roman Catholic report, that of the mission held in the Roman Catholic chapel of the penitentiary at Prince Albert, Saskatchewan, and one Protestant report, that of the mission held in the Protestant chapel of the penitentiary at Kingston, Ontario, were published. On account of urgent demands by the government for reduction in volume of annual reports, it has not been customary to publish all twelve reports. Five Protestant and five Roman Catholic were not published.

BRITISH COLUMBIA—POULTRY INDUSTRY

Hon. Mr. STEVENS:

1. Is the government aware of the serious condition of the poultry industry in the province of British Columbia at the present time as a result of the unfair competition of the importation of eggs from the United States?
2. Is the government aware that eggs known as "culls" or "small" eggs from the state of Washington are being dumped on the British Columbia market by American producers?
3. Is the government aware that the duty on eggs into Canada is three cents per dozen whilst duty on eggs into the United States is eight cents per dozen?
4. Will the government undertake to remedy this unfair competition?

Hon. W. R. MOTHERWELL:

1. The comparatively low prices of eggs in British Columbia during the past winter may be attributed to one of several different

causes. The past three years or so have been a period of rapid transition in the poultry business in British Columbia. A few years ago British Columbia was the largest importing province in Canada, from the standpoint of eggs, not only from United States but from the prairies and, earlier, from eastern Canada as well. Latterly, however, production in British Columbia has increased to the point where they not only supply their own requirements but during the winter months practically the total fresh egg requirements of the prairie provinces as well. Further, in addition to shipping to prairie points, British Columbia placed upwards of twenty-five cars of eggs last year in Canada at points east of the Great Lakes.

2. There is reason to believe that previous to the date imported eggs were included under the egg regulations, (October, 1922) a quantity of small or cull eggs from the states of Washington and Oregon did find their way onto the British Columbia market but since the regulations covering imports became effective, it has been required that the containers of such eggs must be marked with the name of the class and grade when lower than the grade "firsts." The fact that these eggs were marked "seconds" has done a great deal to discourage their import both in British Columbia and in the east.

3. Yes.

4. Not by a retaliatory tariff. Some remedy however is now being supplied by more stringent inspection regulations.

EGG GRADING AND MARKETING

Hon. Mr. STEVENS:

1. Has the government received a request from the Agricultural department of British Columbia for permission, under the regulations respecting the grading and marketing of eggs, to take legal action against those who are ignoring or breaking the said regulations?

2. If so, has such permission been granted?

3. Is the government aware that the regulations are being violated in British Columbia by exposing for sale eggs that are of a mixed grade?

4. Is the government aware that the poultry men, the producers of eggs, are properly grading under the regulations?

Hon. W. R. MOTHERWELL:

1. No.

2. Answered by No. 1.

3. For the most part the regulations respecting the marketing and sale of eggs for domestic consumption have been well observed in British Columbia, the principle and objective of the regulations having received strong support from the Retail Merchants Association in that province, and just recently the department has been complimented by representatives of this association on the thoroughness and efficiency with which the departmental inspectors in British Columbia have carried on their work. Within the last week or two, however, one or two individuals have shown an inclination to question the authority of the department with respect to these regulations and a request has been received for authority to prosecute one offender who has continued to disregard the regulations, after having been duly warned. Steps to this end are being taken.

4. The latest advice from British Columbia is to the effect that the producers who come under these regulations are complying with them satisfactorily. There was some difficulty last fall through one producers' organization marketing storage eggs as fresh and the question of prosecuting the offender was under consideration. No action was taken, however, when the parties in question changed their methods and gave assurance that they would abide by the regulations.

INCOME TAX

Mr. WOODSWORTH:

1. What is the amount of income tax computable from returns actually made, that is overdue and unpaid for the years 1917, 1918, 1919, 1920, 1921, 1922, 1923, respectively?

2. What proportion of income tax unpaid in each of the above years was derived from incomes of between: $1,000 and $5,000; $5,000 and $10,000; $10,000 and $25,000; $25,000 and $50,000; $50,000 and $100,000?

3. What means are used by the department for checking the accuracy of income tax returns?

4. Are the bank accounts of taxable persons open to the inspection of income tax officials?

5. Do the chartered banks make any returns to the government of the amounts on deposit to the credit of those liable for income tax?

6. Is the income tax levied at the same rate on earned income as on income derived from investments? If not, what is the difference?

Hon. Mr. ROBB: May I ask my hon. friend if he would withdraw this question? Some of the information asked for might be given, but there is a part of it which cannot be given under the act. I understand that if my hon. friend will go down to the office of the Commissioner of Taxation he can obtain some of the information referred to here.

Mr. WOODSWORTH: I would like to know what part of this question cannot be answered under the act. It seems to me a pre-eminently reasonable request that we should know what amounts are due in this

respect. Statements are being freely circulated that some of the large firms are being carried along while smaller firms or individuals are being forced to pay up their income tax. It would seem to be in the public interest that the House should know just where we stand in this regard.

Question stands.

GEORGE H. ALEXANDER

Mr. ELLIOTT (Waterloo):

1. Is George H. Alexander of Galt, Ontario, recognized as an immigration agent by the government?

2. What is his relation to the Department of Immigration in the matter of Armenian immigration?

3. Is the Department of Immigration aware of the activities of George H. Alexander in this matter?

Hon. Mr. ROBB:

1. No.

2. None.

3. Yes, to some extent.

COUNTRY OF ORIGIN—MARKING OF IMPORTS

Mr. McKILLOP:

1. Is the government aware that a shipment of 50,000 pairs of children's shoes have been received in Montreal from Germany, not marked with the name of the country of origin?

2. Does not the government insist upon the application of the act regarding the stamping of the country of origin upon imported goods, to lead pencils?

3. If so, on what grounds does the government extend the provisions of the act regarding the stamping the name of the country of origin on imported goods to lead pencils and not to shoes?

Hon. Mr. BUREAU:

1. There is nothing that requires shoes to be marked with the name of the country of origin.

2. Yes.

3. By virtue of an order in council, which speaks for itself, and in which shoes are not included.

IMPORTS—BOOTS AND SHOES

Mr. RINFRET:

1. What was the amount of the total imports to Canada, of boots and shoes, from Great Britain, during the last ten months, from May 1, 1923 to March 1, 1924?

2. What was the amount of the total imports of boots and shoes from the said country during the ten corresponding months of the previous year?

Hon. Mr. ROBB (for the Minister of Trade and Commerce):

1. The amount of boots and shoes imported into Canada (entered for consumption) from the United Kingdom from May 1, 1923 to March 1, 1924, was as follows:

Footwear of leather—	Pairs	Dollars
Boots and shoes, pegged or wire fastened, with unstitched soles, close edged	2,245	3,982
Boots, shoes and slippers with leather uppers, n.o.p., men's (sizes 5½ and up)	132,408	419,890
Boots, shoes and slippers with leather uppers, n.o.p., women's (sizes 2½ and up)	54,862	109,715
Boots, shoes and slippers with leather uppers, n.o.p, children's (all other sizes)	24,835	19,802
Footwear of rubber—		
Boots and shoes, rubber	76,389	42,928
Footwear other than rubber and leather—		
Boots and shoes with canvas uppers	7,861	10,185
Boots, shoes and slippers with felt uppers	124,710	82,350
Boots, shoes and slippers of all kinds, except canvas, felt, rubber and leather		39,070
Total footwear		727,922

2. The amount of boots and shoes imported into Canada (entered for consumption) from the United Kingdom from May 1, 1922 to March, 1, 1923, was as follows:

Footwear of leather—	Pairs	Dollars
Boots and shoes, pegged or wire fastened, with unstitched soles, close edged.	2,018	3,451
Boots, shoes and slippers, with leather uppers, n.o.p., men's (sizes 5½ and up)	58,862	226,278
Boots, shoes and slippers, with leather uppers, n.o.p., women's (sizes 2½ and up)	17,541	64,168
Boots, shoes and slippers, with leather uppers, n.o.p., children's (all other sizes)	15,003	16,623
Footwear of rubber—		
Boots and shoes, rubber	1,457	697
Footwear other than rubber and leather—		
Boots and shoes with canvas uppers	3,355	3,769
Boots, shoes and slippers with felt uppers	56,211	36,618
Boots, shoes and slippers of all kinds, except canvas, felt, rubber and leather.		27,209
Total footwear		378,813

DEPARTMENT OF LABOUR—EMPLOYEES

Mr. ARTHURS:

1. What was the total number of employees in the Department of Labour at Ottawa during the fiscal years 1920, 1921, 1922 and 1923: (a) permanent, (b) temporary?

2. What were the total wages or salaries of such employees for above years, including bonus: (a) permanent, (b) temporary?

Hon. Mr. MURDOCK:

1. March 31	(a)	(b)	Total
1919-20 . .	51	123	174
1920-21 . .	59	89	148
1921-22 . .	105	37	142
*1922-23 . .	115	7	122
1923-24 . .	90	5	95
2. 1919-20 . .	$ 84,878.65	$161,936.33	$246,814.98
1920-21 . .	109,612.40	123,396.18	233,008.58
1921-22 . .	186,996.78	49,838.30	236,835.08
1922-23 . .	205,624.38	13,064.64	218,689.02
1923-24 . .	173,761.69	7,611.80	181,373.49

*Including Annuities branch, twelve employees transferred from the Post Office department to the Labour department in May 1922, with annual salaries of $21,680.

ARMENIAN IMMIGRANTS

Mr. ELLIOTT (Waterloo):

1. Is there any special regulation or examination governing Armenian immigrants, that do not apply to those of other nationality?

2. How many Armenians came to Canada during the years 1921, 1922, 1923 respectively?

Hon. Mr. ROBB:

1. Yes, the regulation requiring an Asiatic to be in possession of $250 at the time of landing. This, however, is not applicable to the wife or child under 18 years of age of any person legally in Canada.

2. 1921, 44; 1922, 43; 1923, 404.

MR. THOMAS MULVEY

Mr. HOCKEN:

1. Does Thomas Mulvey, Under Secretary of State, draw any salary or remuneration from the government other than his salary as deputy minister?

2. If so, how much and upon what authority?

3. How much money has Mr. Mulvey been paid to date in the way of salary or special remuneration other than his salary as deputy minister since 1921?

4. How much has he drawn in expense account in the years 1921 to 1923 inclusive?

Hon. Mr. COPP:

1. Mr. Mulvey draws no salary or other remuneration from the government other than his salary as deputy. Certain payments are, however, made to him by the Custodian of Enemy Property, under the following circumstances:

The question of payment to Mr. Mulvey as Deputy Custodian of Enemy Property, was referred by the Right Honourable A. L. Sifton, then Secretary of State, to Messrs. O. M. Biggar and Christopher C. Robinson, the legal members of the Enemy Debts Committee. The following is an extract from their report, dated 17th September, 1920:

Mr. Mulvey's work has extended over a period of about four and a half years, and in our opinion an extra allowance at the rate of $1,500 a year, or a total of $6,750, would be a small recompense for the special services rendered.

Payment of $4,000 was made to Mr. Mulvey by direction of an order in council dated 17th December, 1921, P.C. 4,631. Subsequently the balance of the amount, at the rate aforesaid, was paid to Mr. Mulvey by the Custodian.

2. Payment has been made at the rate of $125 a month out of commissions earned by the Custodian's Office, upon the direction of the Custodian. The authority to make this payment was under consideration by the Department of Justice, and the following is taken from an opinion of that department, dated 30th January, 1924:

The expense of getting in, liquidating, and otherwise dealing with property, rights and interests, seeing that the government is only required to account for the "net proceeds" of such property, rights and interests, may be defrayed, on the order of the Custodian, out of any profits which may be earned in dealing with the same.

3. Mr. Mulvey has been paid the balance accruing up to the 1st January, 1922, $4,500 and $125 per month since that time, out of commissions earned by the Custodian's office.

4. Expense account 1921, including travelling expenses to London, Paris, Brussels and Berlin, and the reception of His Excellency the Governor General, amounted to $2,052.30, paid out of appropriation "Demobilization" and contingencies.

Expense account 1922, including travelling expenses to London, Brussels, Amsterdam, Hamburg, Berlin, Prague, Vienna, Budapest, Paris, Metz, Strasbourg and Zurich, amounted to $3,249.38 paid out of appropriation "Adjustment of War Claims." Less $250 paid out of contingencies.

Expense account 1923, including travelling expenses to London, Paris, Brussels and Washington, amounted to $1,914, paid out of commissions earned by Custodian's office.

INSURANCE DEPARTMENT

Mr. HOCKEN:

What is the policy of the government as to the maintenance of the Insurance department, having regard to the recent decision of the Privy Council that insurance is not subject to regulation by the Dominion parliament?

Hon. Mr. ROBB: In the opinion of the government neither the validity of the Insurance Act nor the necessity for the continuance of

the Department of Insurance is affected by the recent decision of the Privy Council.

POSTAL SERVICE—SALARIES

Mr. WOODSWORTH:

1. Has the government definitely instructed the subcommittee of the cabinet and the Civil Service Commission that it is desirable that the postal service be given an immediate upward increase in their salaries as per salary schedule submitted by postal service organizations?

2. If not, what alternative does the government propose taking to avoid a strike in the postal service?

Hon. Mr. STEWART: See statement of the Prime Minister, page 836, Revised Hansard of March 31, 1924, and also copy of Order in Council P.C. 530, dated the 29th March, 1924, re civil service salary revision, tabled in the House on 1st April, 1924.

RIVERPORT, N.S., DREDGING

Mr. HANSON:

1. What amount, if any, was spent for dredging at Riverport, Nova Scotia, in the years 1922 and 1923?

2. How was the work done and by whom?

3. Were tenders asked for the said work, who tendered, and what was the amount of each tender?

4. Where was the material excavated by said dredging deposited?

5. Was it necessary to build a retaining wall to prevent the said material from going back into the LaHave river?

6. Who built the said retaining wall and what was the amount of the contract price?

7. What material was used in the construction of this retaining wall?

8. Is said retaining wall useful for the above purpose?

Hon. Mr. KING (Kootenay):

1. 1922, $54,750.70.
1923, $40,105.80 approximately.

2. Work done by Dredge No. 5 (Northumberland) operated by Department of Public Works.

3. Answered by No. 2.

4. In Parks Island Cove, between Parks island and the Mainland.

5. Yes.

6. It was built by the Department of Public Works by day's labour at an expenditure of $29,097.48.

7. Two rows of piles filled with brush between piles.

8. Yes.

D.S.C.R.—EMPLOYEES

Mr. McBRIDE:

1. What was the number of medical and nursing staff in the Department of Soldiers' Civil Re-establishment on (a) 31st December, 1921; and (b) the 31st March, 1924?

2. What was the number of other employees in the said department on (a) the 31st December, 1921; and (b) on the 31st March, 1924?

Hon. Mr. BELAND:

1. Medical and Nursing Staff: (a) 31st December, 1921, 651, consisting of 335 medical officers, 316 nurses; (b) 31st March, 1924, 475, consisting of 247 medical officers, 228 nurses.

2. Number of other employees: (a) 31st December, 1921; 4,235: consisting of dentists, hospital orderlies, mental attendants, ward aides, technical and service staff in hospitals and sanatoria, as well as administrative and clerical services; (b) 31st March, 1924, 2,447.

D.S.C.R—HALIFAX

Mr. BLACK (Halifax):

1. Who is now unit dental officer at Halifax, Nova Scotia?

2. What is his military service, overseas and otherwise?

3. What officer or officers did he replace and when?

4. What was their military service?

Hon. Mr. BELAND:

1. Dr. H. E. Mann who combines the duties of unit dental officer with those of dental operator at Nova Scotia Sanatorium and Camp Hill hospital.

2. Dr. Mann served in the Canadian Army Dental Corps in Canada from 10th January, 1916, until the 30th March, 1920, retiring with the rank of major.

3. (a) Dr. B. L. Neiley, 1st August, 1923; (b) Dr. Havelock Clay, 30th September, 1923; (c) these retirements reduced salary costs $7,200 per annum.

4. (a) Dr. B. L. Neiley was appointed to commissioned rank in the C.A.M.C. on the 12th August, 1914. He served in Canada, England, and France with the C.A.M.C., and the C.A.D.C., was struck off strength on the 7th September, 1919; rank, lieut.-colonel; (b) Dr. Clay served in the C.A.D.C. in Canada, England, and France from February 19th, 1916, to May 16th, 1919, when he was struck off strength, retiring with rank of captain.

Mr. BLACK (Halifax):

1. Who is now chief storekeeper and purchasing agent for the Department of Soldiers' Civil Re-establishment at Halifax, Nova Scotia?

2. Did he replace a returned man?

3. If so, who was the returned man and what was his disability?

Hon. Mr. BELAND:

1. Mr. H. B. Shore who served in France for more than one year.

2. The former unit purchasing agent is a returned man. During 1923, the positions of unit storekeeper and unit purchasing agent were combined, Mr. Shore, formerly unit

storekeeper, assuming the duties of both positions.

3. Mr. J. E. Delaney; disability,—amputation right leg. Mr. Delaney is still employed having been transferred to another position formerly occupied by a non-disabled man.

PENSIONS UNDER CALDER ACT

Right Hon. Mr. MACKENZIE KING: Before you leave Questions, Mr. Speaker, I may say that the hon. member for Temiscouata (Mr. Gauvreau) asked me a question on Friday which I said I would reply to further to-day. It was in reference to a report which appeared in a despatch published in La Patrie, of Montreal, to the effect that after March 31st no civil servant would be granted pension under the Calder Act unless he had resigned before that date. I am unable to find any authority for that report.

QUESTIONS PASSED AS ORDERS FOR RETURNS

STE. ANNE DE BELLEVUE MILITARY HOSPITAL

Mr. JONES:

1. Did the government employ resident and visiting physicians at the Ste. Anne de Bellevue Military Hospital during the years 1921, 1922 and 1923, and if so, what are their names?

2. What remuneration did each one receive?

3. Who are the resident and visiting physicians for the year 1924?

4. Do they receive an annual salary or a fee for each visit, and how much?

CUSTOMS—SEIZURE OF AUTOMOBILES

Mr. ARCHAMBAULT:

1. How many automobiles are now under seizure by the Department of Customs?

2. How many automobiles smuggled on the Canadian border have been seized by the Department of Customs and are now in possession of said department?

3. How many of these automobiles have been claimed by insurance companies on the ground that they have been stolen before they cross the border?

4. Why is the department refusing to deliver such automobiles to the owners after positive proofs of ownership have been made?

5. Is there any arrangement between the Canadian and American governments regarding the recovery of said automobiles?

6. If so, what is such arrangement and when was it made?

NARCOTIC DRUGS

Mr. BROWN:

1. What are the relative numbers of convictions for offences against the Opium and Narcotic Drugs Act in the various provinces of Canada in the years 1913-1914, 1917-1918, 1922-1923?

2. What numbers of convictions for violations of the Opium and Narcotic Drugs Act are reported in the years 1920, 1921 and 1922 from the following cities: Halifax, Montreal, Toronto, Winnipeg, Victoria and Vancouver?

[Mr. Béland.]

3. What number of inmates in the penitentiaries, if any, of Canada have been classed as drug addicts, during each of the years from 1914 to 1923, inclusive?

4. What are the official figures as to the quantities of opium, cocaine and morphine imported into Canada for each of the years from 1917 to 1923, inclusive?

UNOPPOSED MOTIONS FOR PAPERS

CARILLON WATER-POWER

On the motion of Mr. DESLAURIERS:

For a copy of all letters, telegrams, correspondence and other documents in the possession of the government or any department of the government, regarding the development of the water-power at Carillon and permission to sell such power to the United States.

Right Hon. Mr. MACKENZIE KING: I suggest that this motion be allowed to stand until the minister in charge of the department concerned has had an opportunity of seeing it, and until the mover also is here.

Motion stands.

PULPWOOD COMMISSION

On the motion of Hon. Mr. STEVENS:

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.

Hon. J. A. ROBB: I would like to direct the attention of my hon. friend to the fact that the Pulpwood Commission have not yet reported, and I think he will appreciate that this should not be brought down until the commission has reported. I am told that Mr. Piché is in the employ of the government of Quebec, and that certain part of his evidence was given to the commission in confidence. I would rather consult with the commission before allowing this motion to pass, if my hon. friend would allow it to stand.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): In that connection, I am informed that the commission upon request has given copies of evidence already adduced before the commission, and as to any of it, I do not say that the commission would be bound to until it reports, but I believe it is. As to the minister's suggestion, that some of the evidence is confidential, I would ask him if the commission had power under the order in council appointing it to take evidence of a confidential character?

Mr. ROBB: I think the question of my right hon. friend is quite fair, and that is why I am asking that this motion be allowed to stand until I have had an opportunity of

consulting the commission, because I have had information similar to that given by my right hon. friend.

Motion stands.

CANADIAN NATIONAL RAILWAYS—FREIGHT

On the motion of Mr. MacLAREN:

For a return showing (a) the number of tons of freight handled by the Canadian National Railways in and out of Portland during 1922 and also 1923; (b) the number of tons of freight handled by the same railway company during the same years in and out of St. John, New Brunswick, and in and out of Halifax; (c) the number of tons of freight handled by the Canadian Pacific Railway during the same years in and out of St. John, New Brunswick.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think this might perhaps be allowed to stand until the Minister of Railways is here to say a word in reference to it.

Motion stands.

CANADIAN NATIONAL RAILWAYS—PURCHASE OF PROPERTIES

On the motion of Mr. CHAPLIN:

For a copy of all letters, papers, reports and other documents relating to the purchase of railway ties by the Canadian National Railways or any of its officials, including correspondence with the firm or firms from which the said ties were purchased, reports on the price or prices of same, and also returns and vouchers showing the cost of all creosoting plants either under construction or completed by the Canadian National Railways, during the year 1923.

Right Hon. W. L. MACKENZIE KING (Prime Minister) I would ask that this motion and the following one, be permitted to stand until the Minister of Railways is again in the House.

Motions stands.

CANADIAN NATIONAL RAILWAYS—SALE OF PROPERTIES

On the motion of Sir HENRY DRAYTON:

For a return showing all properties sold by the Canadian National System or any company incorporated therein or operated thereby during the years 1922 and 1923, and showing the dates of such sales, the names and addresses of purchasers and the consideration paid in each case.

Sir HENRY DRAYTON: Would there be any possible objection to this motion standing in my name, and referred to by the Prime Minister, passing? It is within the declared policy of the Minister of Railways in the House, and is just simply finding out what is going on.

Mr. MACKENZIE KING: I do not think the Minister of Railways is likely to object at all to giving the information, but unfortunately he has been confined to his home for the last two or three days and has not seen the motion.

Motion stands.

CANADIAN NATIONAL RAILWAYS—OFFICIALS

On the motion of Mr. DOUCET:

For a return showing the names of all officials of the Canadian National Railway System, inclusive of superintendents and officials or special employees drawing salaries higher than superintendents, together with the salary of each.

Mr. MACKENZIE KING: I would ask that this motion stand for the same reason.

Motion stands.

VALUE OF FARM PRODUCTS

Mr. STANSELL:

For a return showing: (a) the value of the production in Canada for the latest year for which returns are available of wheat, meat, butter, eggs, milk, hay, cheese, fruit, maple syrup, oats, barley, potatoes and other vegetables; (b) the estimated value of these products consumed at home during the same year, and (c) the value of these products exported during the same year.

MILITIA DEPARTMENT—PURCHASE OF PROPERTY

Mr. THURSTON:

For a return showing a list of the properties purchased by or for the Militia Department during the years 1914 to 1921 inclusive, showing in each case from whom purchased, location, price, and for what purpose; also a list of any of these properties which have been sold, showing the price received for same. Also showing revenue received from any of the above properties, the amount in each case and from whom received.

CANADIAN CUSTOMS OFFICE AT NEW YORK

Hon. Mr. STEVENS:

For a copy of order in council providing for the appointment of a Canadian Customs Officer at New York for supervision of Canadian goods shipped from Canada via New York to Canadian points on the Pacific; also, copy of all correspondence, telegrams and other documents, in reference to the matter since the passing of the said order in council.

GOVERNMENT PUBLICATIONS

Mr. CHARTERS:

For a return showing a list of all publications, blue books, reports, etc., issued in 1923 by each department of the government or otherwise, at the expense of the country, stating in respect of each publication (a) title; (b) whether single issue or issued weekly, monthly or at what other periods; (c) approximate circulation; (d) the subject or subjects covered, unless same clearly indicated by title; (e) approximate annual cost of printing and paper.

INCOME TAX

Mr. WILSON:

For a return showing (a) the total amount of income tax collected in each province during each year since the tax has been collected, and (b) the total amount of income tax paid by farmers in each of the provinces during these years.

BUSINESS PROFITS TAX

Mr. WILSON:

For a return showing the total amount collected under the Business Profits tax in the various provinces during each of the years since the tax was introduced.

CANADIAN NATIONAL RAILWAYS—HOTELS

Mr. WILSON:

For a return showing a statement of the financial operations of the various hotels operated by the Canadian National Railways during 1923.

DOMINION CANNERS, LIMITED

Mr. WALLACE:

For a copy of all contracts made or entered into between the government of Canada or any department thereof or any person or persons acting for or on behalf of the government or any department thereof and the Dominion Canners, Limited, of Hamilton and Simcoe, Ontario, at any time since the 1st of August, 1914, and the 1st of August, 1919, and of all reports, letters, correspondence and other documents in the possession or under the control of the government, relating to or having any bearing upon any dealings, negotiations, contracts or business transactions of any kind whatsoever between the government and the Dominion Canners, Limited, or any person or persons acting on behalf of said company, and especially, copies of reports made to the government or any department thereof, by the Milton Hersey Company, Limited, Montreal, R. R. McCall, Esq., government inspector, Simcoe, Ontario, and H. H. Holland, government supervising inspector, in reference to, or having any bearing upon contracts, dealings and transactions between the government and the Dominion Canners, Limited, during the period hereinbefore mentioned, and also of all reports made to the government as aforesaid by any commission or commissions or any person or persons whatsoever appointed or authorized by the government to inquire into and report upon the dealings, transactions, and contracts between the government and the Dominion Canners, Limited, or any person or persons acting on their behalf during the period from the 1st of August, 1914, and the 1st of August, 1919.

NORTHWEST TERRITORIES BRANCH OFFICIALS

Mr. BLACK (Yukon):

For a return showing (a) the number of officials employed at Ottawa in the government of Northwest Territories Branch of the Department of the Interior; (b) the official classification of each of such officials; (c) the aggregate salaries paid said officials; (d) the same information as to officials employed at Ottawa in the Mining Lands and Yukon Branch of the Department of the Interior.

CANADIAN BANK NOTE COMPANY, LIMITED

Mr. IRVINE:

For a copy of all contracts and agreements entered into by the Canadian government or any department thereof with the American Bank Note Company, Limited, now the Canadian Bank Note Company, Limited, carrying on business in the city of Ottawa.

PICTOU—MAGDALEN ISLANDS SERVICE

Hon. Mr. STEVENS:

For a copy of all subsidy contracts between the government and any or all contractors for steamship service between Pictou, Souris, Prince Edward Island and Magdalen Island, during the years 1910 to 1921.

[Mr. Wilson.]

Hon. Mr. STEVENS:

For a copy of all correspondence, telegrams, letters and other documents, since the 1st of January, 1922, passing between the Honourable Minister of Trade and Commerce, or any other minister of the government, or any official of the Department of Trade and Commerce, and the Magdalen Island Transport Limited, William Fraser of Pictou, the Lovat Steamship Company, Limited, the Eastern Securities Company, Limited, of Halifax; Messrs. Bow, McLaughlin and Company, Limited, of Paisley, Scotland, having reference to a steamship service subsidy between Pictou, Souris, Prince Edward Island and Magdalen Islands; also copy of alleged contract between said William Fraser and the government covering a subsidy of $50,000 payable annually for ten years.

ST. MALO WORKSHOPS INVESTIGATION

Mr. PARENT:

For a copy of the evidence taken by Mr. Henry at the inquiry held during the year 1923, regarding the management of the workshops of St. Malo, in the city of Quebec; also for a copy of the report made and presented by the commissioner in charge of the inquiry.

SALES OF SHIPS BY GOVERNMENT

Mr. MARTELL:

For a return showing the names or numbers of all ships or boats of every class and description, whether naval or merchant or fishing craft, which were sold by the government of Canada or any department thereof, or by any commission acting in behalf of the government, or under the authority of the parliament of Canada since the signing of the Armistice, showing: (a) The prices paid for said ships, vessels or boats on their purchase by the Canadian Authorities, and also the price received for each when sold; (b) the number of ships, vessels or boats on hand which the government of Canada or any department thereof, or any commission acting under the authority of the government or parliament of Canada, have for sale, with their names and numbers and showing where they are at present; (c) the contract price to be paid to the government of Canada, or any department thereof, as the purchase price of any ship, vessel or boat sold as hereinbefore referred to, and how the said payments were made, and also the outstanding sums due on payment, if any, and from whom, the said return to show all purchasers of any and all of the hereinbefore mentioned ships, vessels and boats, and their addresses; (d) all other details in anywise relating or appertaining to the foregoing.

CIVIL SERVICE SUPERANNUATION

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

Resolved, That it is expedient to bring in a measure to provide for the superannuation of civil servants, to provide for contributions by civil servants to the Consolidated Revenue Fund, to provide for payment out of the Consolidated Revenue Fund to civil servants and to the widows and children of deceased civil servants of superannuation allowances or gratuities, and to provide for the making of regulations by the Governor in Council to give effect to the terms of the said measure.

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.

BUDGET ON THURSDAY

On the Orders of the Day.

Sir HENRY DRAYTON: May I ask the acting Minister of Finance if he can yet state on what day the budget is to be brought down?

Mr. ROBB: I am now able to say to my genial friend that I hope on Thursday of this week to deliver the budget.

AUDIT BOARD AND CIVIL SERVICE COMMISSION

On the Orders of the Day:

Mr. JOS T. SHAW (West Calgary): I should like to ask the Prime Minister if there is any truth in the report appearing in the newspapers that the Audit Board is failing to co-operate with the Civil Service Commission and the deputy ministers in the matter of salary revision of the civil service, and if such is the case what is the reason?

Mr. MACKENZIE KING: I am not aware of any foundation for the rumour to which my hon. friend has referred.

INDUSTRIAL AND INTERNATIONAL RELATIONS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): I notice that on Friday last the personnel of the newly appointed committee on industrial and international relations was announced. It seems to me rather strange that our little group in this corner of the chamber, that is quite interested in industrial affairs, should have been entirely overlooked when that committee was chosen, especially in view of the fact that the Prime Minister was good enough to accept a resolution which I put forward and to enlarge the scope of its work so as to include not only industrial relations but international affairs. In view of our particular interest in these matters it would seem to be only fair that we in this corner of the chamber should have some representation at least on that particular committee.

Mr. MACKENZIE KING: I must confess that I am somewhat surprised to learn, and for the first time, that my hon. friend's name is not on the list. I certainly think it should be, and I will take immediate steps to see that the hon. gentleman's name is added to the committee or substituted for that of some other hon. member on the list. The omission of my hon. friend's name would appear to have been an oversight.

SUPPLY

DEPARTMENT OF THE INTERIOR

The House in Committee of Supply, Mr. Gordon in the chair.

Department of the Interior—Scientific institutions—Expenses connected with the Dominion Observatory Ottawa, $50,000.

Expenses connected with the Dominion Astrophysical Observatory at Victoria, B.C., $18,500.

Mr. SPENCER: Would the minister explain the particulars of these votes?

Hon. CHARLES STEWART (Minister of the Interior): The scientific institutions referred to are the observatories both in Ottawa and in Victoria. They carry on astrophysical and astronomical research work. That is about the extent of the explanation that I can give, except to present a list of the names of the men who are engaged in the work, compiling data for scientific purposes, as well as adjusting the time, taken from observations of the sun, which is now practically the universal time throughout Canada. I confess that as a layman I find it rather difficult to enter into any detailed description of the work carried on at these two institutions.

Mr. SPENCER: I notice there is a decrease in the vote for the Ottawa Observatory, but none in the case of the institution at Victoria.

Mr. STEWART (Argenteuil): That is explained by the nature of the work under way in British Columbia. It was felt that to get the full benefit of the investigations which Dr. Plaskett is carrying on at Victoria some further outlay for an addition to the building and the provision of supplies was necessary.

Mr. McQUARRIE: Can we get some details as to this expenditure at Victoria?

Mr. STEWART (Argenteuil): The service under this head for which money is to be expended is as follows:

Astronomical and research work	$11,200
Salaries	31,755
General Expenses	7,045
	$50,000

The details of each item are as follows:

Position Astronomy (Meridian Circle)—	
Repairs and supplies	$ 200
Astrophysics—	
Material, optical parts, etc. for instruments	500
Repairs and supplies	300

Geographic Positions—	
Materials for piers, line connections, instrument repairs, etc..	600
Latitude and longitude determinations..	1,000
Gravity Survey—	
Materials for piers, repairs and supplies.. ..	500
Field work and expenses..	1,800
Magnetic Survey—	
Materials, instruments, repairs and supplies..	500
Field expenses, guides, etc..	2,000
Seismology—	
Photographic sheets, repairs and supplies for Ottawa, Halifax, Saskatoon and Chebucto.	600
Solar Physics—	
Materials, repairs and supplies..	600
Stellar Photometry—	
Materials, repairs and supplies..	300
Time service—	
Apparatus and supplies, repairs and maintenance..	600
Wireless Equipment—	
Apparatus, repairs and supplies..	800
Library—	
Books, subscriptions to publications, binding, etc..	900
Total..	$11,200

Then we have the salaries of Messrs. Hodgson, Henroteau, McClenahan, Henderson, Dier, Madill, Sprayson, Walker, O'Connor, Shore, Williams, Dolan, Dickson, Hamel, Hackett, Belanger, Assistant Astronomer, seasonal work, Engineering clerk, Editorial assistant and Assistant astronomer.

Mr. McQUARRIE: There is a difference of $8,420, reduction apparently on the first item. The last item is the same. How is that?

Mr. STEWART (Argenteuil): The observatory of British Columbia is exactly the same, and we were able to make a slight cut here.

Mr. McQUARRIE: What has been dispensed with? Where is the cut?

Mr. STEWART (Argenteuil): Largely on supplies. Our staff is the same. We do not require the same amount of supplies as we did formerly.

Mr. McQUARRIE: Can we have the details of that?

Mr. STEWART (Argenteuil): I cannot give my hon. friend the cut. It is taken off the supplies. We allow the same amount as last year for Victoria, but in the case of Ottawa it is a cut all along the line of small amounts out of supplies, not off the salary.

Mr. McQUARRIE: Is it the general supplies?

Mr. STEWART (Argenteuil): Yes.

Mr. McQUARRIE: Then there is this difference between the amount of supplies purchased last year and the amount proposed to be purchased this year. Was there an unusual supply purchased last year, or just the ordinary amount?

Mr. STEWART (Argenteuil): I cannot say what the difference would be between last year and the year before.

Mr. MEIGHEN: This vote used to run about $30,000 a year, but I observe that in 1922 it took a sudden increase, and the increase continued, and last year was the highest $58,000. Is the sudden increase for 1922 estimate due to the installation of the observatory at Victoria? If not, why can the amount not be brought back to the original average of about $30,000?

Mr. STEWART (Argenteuil): I cannot answer that question, I fear. I do not know if there was any increase. My hon. friend has asked why we should not go back to the original vote now that the observatory is established at Victoria. There was no appreciable drop, because the work at Victoria—

Mr. MEIGHEN: My hon. friend missed my point. When was the Victoria observatory established? When was the first increase in the vote due to the establishment of that observatory?

Mr. STEWART (Argenteuil): In 1918.

Mr. MEIGHEN: Then, long after 1918, for example in 1921, the estimate was $31,000, and then there was an estimate of, I think, $40,000 odd for the following year, or perhaps $50,000, and last year $58,000. What I do not understand is why we cannot get back to the estimate that we had even after the Victoria observatory was built?

Mr. STEWART (Argenteuil): I was not aware that there was any increase. I have not looked into the estimates of 1921.

Mr. MEIGHEN: I have them here.

Mr. CARROLL: Why was this observatory instituted at Victoria, instead of some other part of Canada? What function did it perform there?

Mr. STEWART (Argenteuil): I cannot answer my hon. friend in regard to that. That was established before my time.

Mr. MEIGHEN: You can see better from Victoria, I believe, than from any other part of Canada for observatory purposes. I believe for every other purpose you can see pretty well there.

Mr. McQUARRIE: Will the minister explain how they can run the observatory at Victoria for $18,500 when it takes some $50,000 to run the observatory at Ottawa?

Mr. STEWART (Argenteuil): I think that would be very easily answered. It is because they do not attempt anything like the amount of work at Victoria that is being done at Ottawa.

Mr. McQUARRIE: Can the minister explain it any more in detail, I would like to find out the difference. As I understand it, in Victoria they have one of the largest telescopes in the world. They are doing better work and getting more satisfactory results than are obtained almost anywhere on this continent. If the object of the observatory is to look at the stars, and you have the largest telescope in Victoria, why are the results there not to be compared with the results here, and why should the observatory at Ottawa cost so much money?

Mr. STEWART (Argenteuil): The hon. member is probably quite correct. the best telescope is undoubtedly in the coast, and perhaps the atmospheric conditions lend themselves more acceptably to observation out there. My hon. friend must remember that telescopic observation is not the only work that is being carried on at Ottawa. That is being carried on as well, true not with as strong an instrument, but they are carrying on a great many other scientific observations at Ottawa.

Mr. McQUARRIE: That is what I was asking.

Mr. STEWART (Argenteuil): Namely photographing sun spots with very intricate instruments.

Mr. McQUARRIE: That is done with a telescope.

Mr. STEWART (Argenteuil): No.

Mr. McQUARRIE: How is it done?

Mr. STEWART (Argenteuil): Scientifically I cannot explain it. It is done with a telescope, but not the kind of telescope in use at Victoria or Vancouver.

Mr. McQUARRIE: They are making photographs out there?

Mr. STEWART (Argenteuil): Yes.

Mr. McQUARRIE: Playing with the sun spots all the time.

Mr. STEWART (Argenteuil): If you want all the scientific information, I am afraid you will hardly get it from me. I do not pretend to be a scientist, but I know they are carrying on a great deal more scientific work, at the parent institution at Ottawa than at Victoria. They are only making a start at Victoria, and undoubtedly, if further work is to be undertaken, a great deal more money will require to be spent there. There is no question about the value of the work Dr. Plaskett is carrying on. Dr. Klotz established in Ottawa instruments for measuring earthquakes. The locality of these earthquakes can be measured almost within a few miles. They have numberless instruments for various scientific purposes, and men competent to handle them. Naturally you will have a greater expense at Ottawa than at Victoria.

Mr. McQUARRIE: There is a seismograph at Victoria?

Mr. STEWART (Argenteuil): There is a small one. We have a very accurate one in Ottawa. Indeed, I think we had the most accurate information registered at Ottawa in regard to the earthquakes in Japan.

Mr. McQUARRIE: That would not make up this extra amount.

Mr. STEWART (Argenteuil): I do not make that claim for a moment. I did not make that assertion.

Mr. McQUARRIE: The information we have from the minister is certainly very general and he must have some further details. So far, we have the photographing of sun spots and the measuring of earthquakes. Those two operating will not make up this difference.

Mr. STEWART (Argenteuil): I would not say that they would.

Mr. McQUARRIE: I think we are entitled to some further information.

Mr. MEIGHEN: The minister may not know very much about the scientific phase of this matter, but I want to impress upon him the financial phase. In 1918-19, the estimate for this item was $25,000; in 1919-20; $31,000; in 1920-21, $36,000; in 1921-22, $50,715; then the minister's estimate for last year was $58,000, and his estimate for this year is $55,000. The increase, it will be seen, took place some considerable time after the Victoria Observatory was established. I know good work is being done, that is if you describe good work as excellent work from the scientific standpoint. I do not know any other branch of the Interior de-

4 p.m.

partment which contains more highly technical men and men more devoted to their task than does the observatory. Some of the best mathematicians of our country are there. At least when Dr. Klotz was head, the enthusiasm of the branch knew no bounds; it certainly would have known no financial bound if he had had his way. What I want to impress upon the minister is this, that, while we must, I think, maintain observatories and do certain work that is supposed to be one of the functions of nationhood, and, while I do not think it would do for Canada to be without such an institution, nevertheless, the highest scientific phases are really for our universities and they would better be done there. I would be sorry to see an extension of the government's functions into all these scientific fields, building them up to an elaborate degree. The minister's face should be turned the other way, and we ought to try to get back to a $30,000 estimate in this matter. We cannot do that in one year, but I do not think the minister should ask parliament for any more than what he asked for the year before last. Let him take off last year's increase and go back to the $50,000 estimate. That would be a good start. It is not that I decry the work, I would like to encourage it if I could; but if we take the line of economy, undoubtedly we ought to keep to that line in this case.

Mr. McQUARRIE: Is it proposed to reduce the staff at all?

Mr. STEWART (Argenteuil): We are pressing very hard for reductions all round. As regards scientific institutions of this character, the work of which is undoubtedly very valuable, it is hard to tell just how far we should cut this service. A layman, who may be more familiar with other services, can form a better judgment as to the real necessities of the country in connection with them. While we are all agreed as to the real necessity of this for the country, it is doubtful how far the work should go; but the government is willing, in this and every other expenditure, to cut them as far as it is possible to do so without seriously interfering with the services.

Mr. HOCKEN: There is no reduction in the staff.

Mr. STEWART (Argenteuil): Not that I am aware of.

Mr. HOCKEN: Would it not be possible to reduce the staff?

[Mr. Meighen.]

Mr. STEWART (Argenteuil): There are a number who are due for retirement. Dr. Klotz died just recently.

Mr. HOCKEN: Has anybody been put in his place?

Mr. STEWART (Argenteuil): Not yet.

Mr. HOCKEN: Is it intended to do so?

Mr. STEWART (Argenteuil): Yes. There must be a director.

Mr. HOCKEN: Could someone not be promoted?

Mr. STEWART (Argenteuil): Yes. It is not the intention to increase any staff where we can get along without doing so. Where deaths or superannuations occur, vacancies will be filled from positions below them, if at all possible.

Mr. HOCKEN: And then some person appointed below to fill that vacancy?

Mr. STEWART (Argenteuil): Yes.

Mr. HOCKEN: Then, is that not a position that should not be filled, if it is intended to reduce the staff wherever possible?

Mr. STEWART (Argenteuil): There would be a reduction of one. There must be a director to take the place of Dr. Klotz, but that would be a promotion.

Sir HENRY DRAYTON: I observe that in 1921 there was a vote of $10,200 for the Victoria office. In 1921, supplies were as high, if not higher in some instances, than they are now, and the cost of living was much about the same, so that salaries should be about the same. We have had an increase of a little over eighty per cent in running that one institution in that comparatively short time. The cost has increased from $10,200 in the last three years to $18,500. Is that an increase in number of men on the staff, new machinery, new instruments—or what?

Mr. STEWART (Argenteuil): There have been two additional appointments—an assistant astronomer to Dr. Plaskett at $1,800, and an instrument maker foreman, at $1,860. Those men are also granted house allowances as the observatory is not yet completed.

Sir HENRY DRAYTON: Do I understand that the appointment of those two men means an additional $8,300?

Mr. STEWART (Argenteuil): No.

Sir HENRY DRAYTON: How is the increase accounted for? I have only two extra men so far.

Mr. STEWART (Argenteuil): I cannot tell my hon. friend what the increased expenses would be. But I do not think the expenses are high. They include instruments, $1,800; photographic supplies, $500; machine and instrument work, $600; hardware and chemicals, $400: automobile maintenance, $500; postage, freight and telephone, $600; contingencies, $400. I understand that these men have to live in Victoria, and have to travel some considerable distance between the observatory and the city.

Sir HENRY DRAYTON: Does the minister mean the two recent appointees?

Mr. STEWART (Argenteuil): No, the whole staff—I am wrong. Dr. Plaskett lives there.

Mr. McTAGGART: To what extent do unfavourable climatic conditions interfere with the work of the observatory at Victoria?

Mr. STEWART (Argenteuil): I cannot say that unfavourable climatic conditions prevail at Victoria for work of this character.

Mr. TOLMIE: Mr. Chairman, I might say that after a very careful examination of all suggested points in Canada, this site, about eight miles out from Victoria, was selected on account of the clearness of the atmosphere and for other reasons favourable to this particular kind of work.

Mr. McTAGGART: I spent a couple of winter months in Victoria three years ago, and during that period I am quite certain there was no time when observations could be carried out. It is my impression that throughout the winter months it would be very difficult to carry on observatory work there.

Mr. TOLMIE: The weather has been ideal ever since.

Mr. MacLAREN: As vacancies occur in the natural order of things does the minister propose to diminish the staff by not making further appointments?

Mr. STEWART (Argenteuil): Yes, wherever possible there will not be additions made; rather reductions.

Sir HENRY DRAYTON: What was the amount spent last year?

Mr. STEWART (Argenteuil): When I first took charge of the department I reduced the vote because I had not a complete return, and I found myself short at the end of the year. If we have a few hundred dollars over it will not be spent. We are doing our best to carry on with the minimum expenditure. I think if any expansion is required anywhere it should be at Victoria where this new observatory has been started. I am not proposing any expansion, but I am suggesting that we need the $18,000 to carry on this year.

Sir HENRY DRAYTON: Victoria is some distance away and perhaps my hon. friend's figures in relation to the observatory there are not quite complete. But they must be complete as to Ottawa, as we now close our books sharply on the 31st of March. What were the expenses at Ottawa last year?

Mr. STEWART (Argenteuil): We have not these up to date. As my hon. friend knows, it takes considerable time to close the books of the department. As my hon. friend with his wide experience well knows, large amounts come in just prior to the closing of the fiscal year, and it is rather difficult to make comparisons when you have not the full year's work before you.

Sir HENRY DRAYTON: But I think my hon. friend will recollect that either last session or the session before we changed the law in connection with the closing of the books. We had had an open period which allowed for adjustments and the like, and it was found that our officials took advantage of this leeway before their books were made up. Therefore the House decided that the books should be closed as of the 31st March. I should think we ought to know what we paid in Ottawa up to the end of the fiscal year.

Mr. STEWART (Argenteuil): I think my hon. friend is quite correct. As to various changes, transfers and so on, the books are not officially closed during the first thirty days of the new fiscal year, but they are closed as to the issuing of cheques.

Mr. GARDINER: Does this vote include all the salaries of the observatory at Ottawa?

Mr. STEWART (Argenteuil): Yes.

Mr. GARDINER: At page 76 of the Estimates there are two votes, one for a director at the Astronomical observatory, $5,100, and another for a director at the Astrophysical observatory, $4,800. Is there any relation between the two?

Mr. STEWART (Argenteuil): There are a number of officials—I gave the list—who are paid out of this vote of $31,000; but there are several in the Civil Government vote as well. I am trying to get the exact number.

Mr. GARDINER: Would it not be comparatively easy to put all these under one vote, so we would know exactly what these activities are costing us?

Sir HENRY DRAYTON: Hear, hear.

Mr. STEWART (Argenteuil): My hon. friend raised that question last year. I agreed with him then, and I still agree with him. But the Department of the Interior is an old department. I cannot discover that there was very much increase required for war activities, but there has been a considerable increase since 1910 and 1911. I have been endeavouring to reorganize the service. I have not added the names of officers who are known to be permanent to the civil list in the hope that I may be able to reduce them by the passing of a Superannuation Act and an amalgamation of the services. When that is done, I agree, all these names should be entered in the civil list under one heading.

Mr. MEIGHEN: Perhaps the minister might recite the record of his reorganization up to date.

Mr. STEWART (Argenteuil): I would prefer to deal with that as we go along. There has been an endeavour to make some change in the Topographical surveys, but we have been working most toward reorganization in the Western Lands branch, and I will deal with that as we come to it.

Item agreed to.

Scientific Institutions—Topographical and general surveys, traverse of northern rivers and lakes, classification of lands for the settlement and development of Canada, plotting and printing of plans, etc., $470,000.

Sir HENRY DRAYTON: Will the minister tell us how near the North Pole we are getting now in connection with these surveys? How many surveyed areas have we without the slightest occupation? How many have we which would give room for a population of a little more than double that which we now have?

Mr. STEWART (Argenteuil): About 180,000,000 acres, all told, have been subdivided.

Sir HENRY DRAYTON: How much of that is occupied now?

Mr. STEWART (Argenteuil): About 5,000,000 acres in Saskatchewan, the same amount in Alberta, and about 3,000,000 acres in Manitoba. The work is now base line and boundary work; we are not carrying on subdivision. My hon. friend wants to know if we are getting to the North Pole?

Sir HENRY DRAYTON: How near the North Pole are we getting? It will be necessary to run right up there some day if this vote is to be kept up.

Mr. STEWART (Argenteuil): There has been a very considerable reduction in survey work. My hon. friend attacked this vote very vigorously two years ago and suggested that an amalgamation of the branches take place, the whole of these services being placed under one head. When I came into office an attempt was being made at amalgamation. Topographical survey work is being carried on in the departments of Defence, Mines and Interior, and we have a surveyor in the Department of Indian Affairs. I am thoroughly in accord with the idea of amalgamation. I was not able to bring about complete amalgamation, but we did succeed in getting a board to sit annually on the proposed survey work in order that there should be no overlapping. Geological work has to be preceded by topographical surveys, and geological parties are using topographical information obtained by the Department of the Interior as well as by parties from their own branches and the results of work done in the various provinces. In 1919 a blanketing-in order was made which brought into the Civil Service all surveyors who had formerly been on day's pay. There have been reductions in the staff from time to time. The classification of land for settlement is a fairly important part of the work, and in each of the land offices the prospective settler may obtain fairly accurate information with regard to the kind of land in the quarter sections which are open for homestead. We will confine that work to our Crown lands and will not extend it to privately owned lands, because the latter may very well be undertaken by some other organization than the Topographical Surveys branch. As to settlement in the north, to which my hon. friend refers, I may say that the development in that section demands that at least one or two lines be run into the north country to which you can subsequently tie on. A case in point is that of Fort Smith, and there is the fact of the discovery of iron on Great Slave lake. It is not necessary in such cases to have subdivision, but it is necessary to have lines to which you can tie on when subdivision is necessary.

Sir HENRY DRAYTON: As my hon. friend says, two years ago we tried to get co-ordination, tried to do something in the way of economy, but to-day we are just exactly where we were then.

Mr. STEWART (Argenteuil): No my hon. friend will pardon me; there has been a very considerable reduction.

Sir HENRY DRAYTON: Oh, there is a slight reduction, but the general principle is the same. This is the place not for a pruning knife, but for an axe. Apparently the country is always spreading.

Mr. STEWART (Argenteuil): Of course it is.

Sir HENRY DRAYTON: There always seems to be some new reason for making changes in connection with lines. Will the minister tell us exactly what has been done this last year? How many new lines were run? How far north have our lines been placed? Let us get some idea of when this thing is going to stop.

Mr. STEWART (Argenteuil): We are down to Fort McPherson, so far as the traversing of the river is concerned. That is within the Arctic circle.

Mr. MEIGHEN: Will the minister tell us what head this vote came under prior to his regime?

Mr. STEWART (Argenteuil): Under Lands and Parks, I am told.

Mr. MEIGHEN: It is under Lands and Parks yet. There is no way of comparing them. I find in the estimates for 1921-1922 no vote under Topographical Surveys at all, but for 1922-1923, the minister asked for $570,000; the next year, $520,000, and this year $470,000. Now, the only vote I can see to which it could be comparable at all prior to that is the Geological Survey vote.

Mr. STEWART (Argenteuil): If I give the amounts yearly it will probably be a guide for my hon. friend. I am told that this vote was under Lands and Parks previously, but the vote itself is in a lump sum annually. For 1913-1914 the vote was $1,051,685.78.

Mr. MEIGHEN: That is for the whole of Lands and Parks?

Mr. STEWART (Argenteuil): No; surveys.

Mr. MEIGHEN: What surveys are included in that?

Mr. STEWART (Argenteuil): Topographical alone. The figures are as follows:

Year	
1919-20..	$558,080 31
1920-21..	685,026 45
1921-22..	591,353 90
1922-23..	562,785 51

Mr. MEIGHEN: The minister must be giving us the money spent. He is not giving us the estimate.

Mr. STEWART (Argenteuil): No, that was the net expenditure.

Mr. MEIGHEN: The Dominion Lands and Parks vote is in one large item, but these figures the minister gives do not appear in it at all, nor any figures corresponding to the estimates.

Mr. STEWART (Argenteuil): My hon. friend must be mistaken. These figures have been kept intact; they are in one item. The change was made one year ago.

Mr. MEIGHEN: Two years ago. The minister made the change himself.

Mr. STEWART (Argenteuil): I am sure the items are the same for each year, that is, those we are discussing at the moment.

Mr. MILLAR: We have in this item a reduction, and in others increases. What is the general plan in making up an estimate? Does the staff suggest a reduction, or where does the suggestion for a reduction originate?

Mr. MEIGHEN: It originates here.

Mr. STEWART (Argenteuil): I am prepared to agree with the staff that this is very valuable work, but nevertheless I think a great portion of it could be delayed. I have always had that opinion, and I have tried to cut down annually on this vote. I think we can reduce this vote very much more next year. A number of these men will go; some of them have been transferred; we have tried to cut this vote down as fast as we could. We could turn all these men out, I suppose—use the axe, as was suggested by my hon. friend—and do nothing. But hon. gentlemen must realize that some of these surveys must be continued. My judgment is that we shall have to continue fifteen or twenty parties throughout the Dominion, at least, as long as we have the natural resources of the three prairie provinces. I do not think it is unreasonable to expect that we shall have to do that work. I have an estimate for the international boundary work. There was a great deal of fuss about it, and I have placed the estimate at what I think will be required annually to carry on that work. Probably I have cut it too low, because there is still some work to be done in that connection. My hon. friend from West York (Sir Henry Drayton) smiles, but I may tell him that these gentlemen were appointed under an international agreement. This huge stretch of territory along the international boundary from the Atlantic to the Pacific will require work to be done upon it annually. I do not mean that we will need a party of surveyors to do that work, but certainly some expenditure will be required. You will need expenditure on topographical surveys every year, but I think with from fifteen to

twenty parties we can do the necessary topographical work this year. They will not necessarily do the work to keep ahead of the geological work, which I consider very important, and I shall have something to say about the geological surveys when we reach that item. I am speaking now of the topographical surveys.

Sir HENRY DRAYTON: The Geodetic survey does practically the same thing, does it not?

Mr. STEWART (Argenteuil): It is different work, and very important work, as my hon. friend well knows. Simply because the country is surveyed and laid out in blocks, it does not follow that the work is completely done. There is a constant demand upon us for this sort of work. I should like my hon. friend to see the many requests from the provinces and other sources asking for this sort of work to be carried on that we turn down. There are problems arising now in western Canada, where owing to the drought, lake and slough levels have receded and troubles have arisen with respect to ownership. Surveys will have to be made in that connection. You will always have to have in Canada a reasonable number of parties in the field doing this work. But I frankly admit that the time has come when we can reduce, and we are reducing. I have reduced the vote this year by $50,000 as compared with last year, and I do not say that that is the limit of reduction. I think I can make a very great reduction next year.

My hon. friend has suggested that it is an easy matter to organize all these surveys under one head. I have not found it so easy, but I hope that we shall work to that end, and that we shall have this topographical work all under the control of one management. I am able to assure the committee that we have no over-lapping, and that we are not undertaking work except to a very limited degree that could be discontinued at the present moment.

Mr. MILLAR: The minister has not exactly answered my question. For the most part I was not joking at all. Do the men who are actually doing this work in the field, the surveyors, suggest economies? Have suggestions come from those in the outside service as to where economies could be practised? I suppose the suggestions sometimes come from the deputy minister, or do they always originate with the minister?

[Mr. C. A. Stewart.]

Mr. STEWART (Argenteuil): I think hon. members will agree that for anyone to suggest that this work is unnecessary would be hardly fair to this staff. There is no unnecessary work being done at the moment, not a particle. Perhaps we are too far ahead, and we can wait a while. But to suggest that there is work being done, or that work has been done, that is unnecessary is beside the mark altogether. There is nothing of the kind.

Mr. MILLAR: Applying my question to other votes, are there not times when there is unnecessary work being done?

Mr. STEWART (Argenteuil): In what way would my hon. friend suggest that any of this work was unnecessary? Surveying is not unnecessary work, it is very necessary work.

Mr. MILLAR: I say, applying it to other votes.

Mr. STEWART (Argenteuil): I am not going to discuss other votes. I am discussing the question of topographical surveys. I will discuss these other votes fully when we come to them, and be prepared to give my hon. friend information.

Mr. HOEY: Could the minister state how far these surveys have extended beyond the actual geological surveys in the prairie provinces, say in northern Manitoba? Does not the minister think this work, if it is going on at all should be confined to areas in which there are mineral resources? To make surveys of land for land settlement in the northern districts when we have hundreds of thousands of acres unsettled around the cities in the prairie territory seems to me to be almost absurd.

Mr. STEWART (Argenteuil): My hon. friend is quite correct, but I have just told the committee we are not doing that class of work, except in certain cases where surveys have to be re-run on account of a dispute of some sort arising with respect to definite boundaries. That is the only work of such a character needing to be done, and that only to a very limited degree. So far as regards the subdivision of agricultural land is concerned it has practically ceased. In the northern stretches of the territory we have to have some surveys, for example where oil discoveries and things of that kind are made.

Mr. HOEY: Is the Geological survey keeping up with this?

Mr. STEWART (Argenteuil): Not by any means.

Mr. HOEY: Why not reduce this until the Geological survey catches up?

Mr. STEWART (Argenteuil): That is what I have been endeavouring to do. It will be observed there has been a reduction of $50,000 in the vote for this year. It may be that we should only do such topographical work as is required to precede geological parties, but we are not confining the reduction to that. My object is to get the number of parties down to between fifteen and twenty. We now have twenty-four parties on this work and I assure the committee the work done in each case will be very useful.

Mr. McQUARRIE: Will the minister state in what provinces the work has to be done?

Mr. BROWN: How much of this vote is intended to take surveys into entirely new territory? How far do the meridian lines run, and the several base lines?

Mr. FAFARD: Last session, Mr. Chairman, a great deal of unmerited criticism was indulged in at the expense of the surveys branch. Of this criticism the most unmerited was directed at the topographical work carried on by that branch of the Dominion Lands department. In my humble opinion, no survey work carried on by any governmental body has a higher economic value than well executed topographical surveys. The amount of misinformation about our country and its resources is directly in proportion to our lack of topographical maps. We have had surveys at a greater cost per head of the population than in almost any other country, this being due to the division of authority between the Dominion and the provinces, and the lack of a properly coordinated scheme of surveys and map making based on scientific principles. At present the geological survey produces magnificent maps as a basis for geological and mineral investigations. Unfortunately their operations are too restricted to be at all adequate. The Department of National Defence is also making increasingly splendid maps which are even more valuable to the civil than to military authorities. The Topographical Surveys branch of the Interior department has been making maps of what was originally Dominion lands. But Dominion responsibility goes beyond Dominion lands, it extends to all the provinces, and Dominion aid towards mapping should be granted adequately to all of the provinces. The Dominion government has spent nearly thirty millions of dollars in the western provinces since 1900, part of this money being spent not on Dominion lands but on private property. I claim that other provinces have the right to their share of that expenditure. The western provinces have been treated fairly. There have been expended on geodetic surveys $871,581, on topographical surveys $15,717,524, and on base lines, meridian lines, township outlines, and section outlines $11,554,277. As far as I am concerned I see no reason why the money voted for topographical surveys should not be divided in proportion to the area of each province. At present I understand that the topographical surveys branch contemplates extending its work to Quebec and the Maritime provinces. That work is undoubtedly needed, and I would suggest to the minister that it should be undertaken after consulting with the provinces concerned. I would also suggest to the minister that the amount voted for geodetic surveys is not sufficient for provincial requirements. Splendid work is being done for the provinces at the present time, but money now spent in the extension of operation will save millions of dollars to the provinces in the years to come by providing the permanent framework for mapping, without which much other survey work would have to be repeated over and over again.

May I add for the information of the minister that the functions for each branch should be more definitely specified, and that a well qualified engineer or land surveyor should be attached to the deputy minister's office in a consulting capacity. This man would see that duplication and overlapping would not occur. I should be sorry if my remarks were considered as an attack upon the land surveyors of the Dominion. They have done their work fairly, and they are entitled to the congratulations of this House for what they have accomplished for the country. I am very sorry to see a decrease in these estimates when the government desires to carry out the development of our natural resources. I also wish to advise the minister that it would be a great mistake to dismiss any of these officials who are trained in practical work, and whose capacity and energy are not surpassed in any other country in the world.

Mr. McQUARRIE: I should like to receive an answer to the question I asked a few minutes ago.

Mr. STEWART (Argenteuil): We have seven parties on miscellaneous surveys in Manitoba, Saskatchewan, Alberta and British Columbia, the work being fairly evenly divided between the provinces. On the interprovincial boundary we have one party at

work. In the three prairie provinces we have four parties at work on levelling. On topographical surveys we have eight parties. The expenditure for this work is divided as follows: Manitoba, $6,000; Saskatchewan, $9,000; Alberta, $6,000; Quebec, $9,000; and in the Maritime provinces, $18,000. On photo topographical surveys we have one party; classification of lands, four parties. In British Columbia the whole of the topographical surveys are carried on. Four parties are carrying on surveys on lands in Manitoba, Saskatchewan and Alberta, and in the control or exploratory traverse we have four parties working in Saskatchewan and Alberta, the Northwest territories and the Maritime provinces. Supervision and inspection costs us $2,000 in Manitoba, $2,000 in Saskatchewan and $3,000 in Alberta, and "unprovided for" we have appropriations for each province of a small amount. That means 29 parties all told.

In reply to my hon. friend from Lisgar (Mr. Brown), we have ceased projecting surveys. There is no work being done on the meridian and base line.

Mr. SHAW: The subject of surveys is undoubtedly a very important matter, but, as far as I can observe, in the estimates it has not been overlooked from a financial point of view. I notice in vote No. 97 there is provision for $35,000 for topographic surveys under National Defence department, which represents a reduction from last year of some $10,000. Just what the value of a survey of that character, as distinguished from a topographic survey is, I am sure I am at a loss to understand. Then we have vote No. 251, the one under consideration, $470,000; and we have the Geodetic survey, vote No. 252, which represents $275,000. Then I find Geological survey, item 268, representing an amount of $320,000. Then we have another variety of survey shown at page 56 of the estimates under Dominion lands and parks, as follows:

> For surveys and investigations of water and power resources, including the Dominion Hydrometric survey for the reclamation of lands by irrigation and drainage and for the administration of the Acts in connection therewith, and so forth, $547,000.

Now these surveys I take it, Mr. Chairman, are all necessarily inter-related, so that one is more or less dependent upon the other, and I certainly think that the minister should make a representation to his department to have this work in some way or other put under one head, who would be responsible for it, thereby I am sure lessening expense. I would suggest also that he should in addition impress upon his colleague of the National Defence department the necessity for eliminating that survey for militia purposes altogether. In my judgment, so far as I can observe, it is more or less a useless expenditure. It ought to be, it seems to me, a comparatively easy task to, shall I use the word, co-ordinate, this work? Surely it is not beyond the capacity of the officials of the Interior department to get together and prepare that work and relate it, so that a great deal of this expense, considerably over a million dollars, might be saved. If the officials of the Interior department and the officials of the other department are not able to do that, I would suggest that they should call in the services of the Civil Service Commission—and I am sure the minister would have no objection to that—and ask them to undertake the work of trying to make these various organizations work together, and eliminate, I am sure, a very large proportion of the expense involved in these services. It seems to me that it is in this direction that savings can be made. Economy does not consist in simply eliminating a certain percentage of employees here or there, it must be carried on in a scientific and proper manner. I certainly am disappointed that the vote this year for these various services represents such a substantial amount. It seems to me it should be substantially reduced. We can if necessary eliminate much survey work during the next two or three years at least, because after all what we all desire, and what the people of Canada demand, is the strictest possible economy.

Mr. STEWART (Argenteuil): I thought that I had made it quite clear to the committee that what my hon. friend was complaining about was exactly what we were doing; but what I did not make clear was that while we were not able to amalgamate the service under one department, yet we had a board representative of them all, and the work they undertake is discussed fully, and is allocated to the various departments. I will not argue that that is the best way of handling it. I would much rather have the topographical work under one general head, whether it be for the militia, whether it be in advance of geological work, or for whatever purpose it may be. But we have succeeded in co-ordinating the work to the extent that I can come to the House and say that there is no overlapping. For example, the work being done by the Defence department, which is largely, as I understand it, along the boundary line of Quebec, is being utilized by the Geological Survey; so that wherever geological work is done, and wherever topographical work is done,

care is being exercised not to have it overlap. I quite agree with the suggestion that we can reduce it, and we are making an honest effort to reduce it.

Mr. McTAGGART: Would the minister say whether the classification of lands suggested in this vote would extend to those Dominion lands for which entry has already been made; and, if not, whether any provision will be made for the reclassification of those abandoned lands?

Mr. STEWART (Argenteuil): I think my hon. friend has in mind that it would be better to survey some of the lands now occupied and classified, in order to, in many cases, move people off them; but we are not doing that class of work under this vote. We are rather doing the classification of the Crown lands in order that there may be full information in the Land Titles office or in the Dominion Lands office for the benefit of prospective settlers.

Mr. MEIGHEN: If the western lands were turned over to the provinces, of course there would be a great deal less survey work, eliminating many hundreds of thousands of dollars of expense each year.

Mr. STEWART (Argenteuil): I would not say so.

Mr. MEIGHEN: Subdivision work entirely. Of course we would do the survey work of these lands—that are under Dominion jurisdiction.

Mr. STEWART (Argenteuil): We are not doing the subdivisions.

Mr. MEIGHEN: But as to the rest of the work, we did not do much of that work in Ontario and in the provinces where the resources belong to those provinces. We would have to do militia work, if that were done at all. I was never much impressed with the wisdom of that militia work; but recalling how close we were two years ago to having the whole question solved,—the minister will remember when the edict of the Prime Minister went forth, even from the housetops, that a key had been found to the whole situation, verily the key of equality and justice; I wonder now, after two years, whatever has been opened with that key. Has the key been lost? Are we no further on?

Mr. STEWART (Argenteuil): I am very dense no doubt, but I do not follow the right hon. leader of the opposition.

Mr. MEIGHEN: I hope all that manifesto was not mere air. Can the minister give us a report of progress?

Mr. McBRIDE: The present government has cut this estimate almost in half in the last two years. Out our way a large number of people ask to have this work carried on. I think that under the terms of confederation, the Dominion has to carry on a certain amount of this work in the different provinces. Am I not correct?

Mr. STEWART (Argenteuil): Quite correct.

Mr. McBRIDE: I think this estimate is none too large.

Sir HENRY DRAYTON: During the last two years this matter has been challenged time and again. Surely the minister can show us what surveys have been made this last year for the sum of $520,000. How much better off are we now than we were before? What have we for the money? That, after all, is the best way of seeing whether there is any value in this work or not.

Mr. MICHAUD: I understand a survey was made last year on the Quebec side of the Baie des Chaleurs and, I presume, also on the New Brunswick side. That survey was made by an officer of the department, Mr. Pierce. At what particular place was the survey made?

Mr. STEWART (Argenteuil): I think that must be the geodetic survey. I should be glad if my hon. friend would ask that question when we come to the geodetic survey. There were surveyed last year townsites at Jasper and Waterton lake, Banff cemetery, coal lands at Luscar, timber berths in British Columbia, hay lands at Big Hay lake, reclamation lands at Waterhen lake and Sumas lake, agricultural lands withdrawn because of the Beaver Hills forest reserve, lots in the Northwest Territories at Resolution and McPherson.

Sir HENRY DRAYTON: My hon. friend quite understands that that list of names means nothing to him. We do not know what we have or what this is. He speaks of a townsite at Jasper. What is the acreage? How many lots are there? What is the demand for lots there? What is the cost?

Mr. STEWART (Argenteuil): I can speak offhand with respect to Jasper because I know the situation. There is a very considerable demand for lots on account of railway building there. The townsite was laid out.

Sir HENRY DRAYTON: What is the acreage and what is the number of lots?

Mr. STEWART (Argenteuil): I cannot give that. I think my hon. friend will realize that the services of the survey party were required to do that work. Waterton lake is in the same category. These are widely removed. Does my hon. friend expect me to come here with the number of lots surveyed and the number sold in a townsite, and to be able to give details of that character? Surely, my hon. friend is not so particular as that.

Sir HENRY DRAYTON: I think my hon. friend has been out in the West long enough to know that one of the curses of the whole of the West has been the subdividing of townships and the laying out of vacant lots for sale, real estate speculation instead of land occupation and use. I do not know why anyone should argue in favour of subdividing townsites at the present time.

Mr. STEWART (Argenteuil): Does my hon. friend believe that the townsite of Jasper in Jasper park is a subdivision in the sense that a townsite along a railway, on the prairie or otherwise, would be sub-
5 p.m. divided for the purpose of making gain? In the case of Jasper townsite, the prices of the lots are fixed by the government, and no lot is offered unless an individual is anxious to have it and to live on it. Would he suggest the same thing in connection with the Waterton lake townsite, which is in the same category? We are not surveying townsites for gain.

Sir HENRY DRAYTON: It is our property and we are subdividing it. I suppose we are subdividing it in order to sell it. It may be that that is a very reasonable little thing, done simply for the purpose of looking after a few sales—and they would be very few—that will be legitimately made.

Mr. STEWART (Argenteuil): No. My hon. friend will remember that the divisional point is fixed at Jasper, and that a considerable number of employees have moved there.

Sir HENRY DRAYTON: That may be. What is it costing to have the subdivision of Jasper?

Mr. STEWART (Argenteuil): It is costing the services of a survey party, probably five or six or seven thousand dollars. That is the average cost of a party for a season.

Sir HENRY DRAYTON: Shall we put down $5,000 as the cost of the survey of Jasper?

[Mr. C. A. Stewart.]

Mr. STEWART (Argenteuil): I do not know. The party would not be detailed all summer at Jasper.

Sir HENRY DRAYTON: I take it that my hon. friend cannot give any real information as to that. Topographical and general surveys,—that represents a class of work by itself. How much of this $470,000 is for topographical and general surveys?

Mr. STEWART (Argenteuil): General and miscellaneous, $23,450; topographical, $48,000; photo-topographical, $4,500.

Sir HENRY DRAYTON: What is the allowance for traverse of northern rivers and lakes?

Mr. STEWART (Argenteuil): $34,000.

Sir HENRY DRAYTON: How much for classification of lands for the settlement and development of Canada?

Mr. STEWART (Argenteuil): $20,000.

Sir HENRY DRAYTON: How much for plotting and printing of plans?

Mr. STEWART (Argenteuil): $13,600 for printing and stationery, and lithographing, $12,500.

Sir HENRY DRAYTON: If I have got my hon. friend down right he has accounted for $148,000 out of the vote of $470,000. That is right?

Mr. STEWART (Argenteuil): Yes.

Sir HENRY DRAYTON: Then the whole of the balance is behind the "etc."

Mr. STEWART (Argenteuil): There is nothing strange about it.

Sir HENRY DRAYTON: What is it, though?

Mr. STEWART (Argenteuil): We spent in Manitoba, $24,450; in Saskatchewan—

Sir HENRY DRAYTON: What for?

Mr. STEWART (Argenteuil): I beg my hon. friend's pardon. The salaries for the permanent staff amount to $170,260; office employees at Ottawa, $68,340; interprovincial boundary, $3,000; western levelling, $9,590; soils, $3,100; warehouse, $1,060—making a total of $255,350. Now, if my hon. friend will take the balance: head office printing and stationery, $13,600; purchase and repair of instruments, $7,000; lithographing, etc., $12,500; equipment, $8,000; western soils, $300; western warehouse, $300—he will get a total of $41,700.

Sir HENRY DRAYTON: Why does the minister ask for more than the total on his own showing?

Mr. STEWART (Argenteuil): Perhaps my hon. friend will check his first list. Here are details of that expenditure: Manitoba, $24,450; Saskatchewan, $40,500; Alberta, $44,500; British Columbia, $8,500; Quebec, $9,000; Maritime provinces, $26,000; Yukon territory, $3,000; Northwest territories, $10,000; Alberta and British Columbia boundary $7,000—making a total of $172,950.

Sir HENRY DRAYTON: That is a different calculation altogether; they cannot both be right.

Mr. STEWART (Argenteuil): I am giving my hon. friend the details. I answered the question in his first item.

Sir HENRY DRAYTON: Yes; then I asked for everything that "etc" covered. The hon. minister gave me that and said it made a total of $41,700. Now he has some other particulars.

Mr. STEWART (Argenteuil): No, I have given my hon. friend the exact figures making up that amount. Those figures which I have given to my hon. friend total $470,000.

Sir HENRY DRAYTON: I am afraid I cannot check the figures, nor do I think any member of this committee has been able to check them. However that may be, does the minister really think that any harm would follow if all the work for the traversing of northern rivers and lakes stopped this year?

Mr. STEWART (Argenteuil): Yes.

Sir HENRY DRAYTON: What?

Mr. STEWART (Argenteuil): Navigation has become a very important factor there.

Sir HENRY DRAYTON: Where?

Mr. STEWART (Argenteuil): On the Mackenzie river. My hon. friend knows that three transportation companies are doing business on that river.

Sir HENRY DRAYTON: What work is proposed to be done there now?

Mr. STEWART (Argenteuil): Simply traversing the river and doing the necessary work to make it reasonably safe.

Mr. HOEY: Does this apply to one river?

Mr. STEWART (Argenteuil): Part of the work is on the Great Slave lake, but it is all in contiguous territory. I am wrong. There is some work to be done at Le Pas, northern Manitoba, in the mining district.

Mr. MILLAR: Reference has been made to the disparity between the expenditures in the various provinces. In the case of Saskatchewan, can the minister tell us what part of the expenditure has been on lands forming part of the natural resources which have not been turned over to the province?

Mr. STEWART (Argenteuil): I think the only amount would be $5,500 for the re-establishment of monuments in the areas where they have been obliterated. The balance is all in the areas that are purely and simply Crown lands of the federal government.

Mr. MILLAR: Are we to understand that if the natural resources had been turned over to the province, the expenditure under this item would be only $5,000?

Mr. STEWART (Argenteuil): It would be $5,500.

Mr. GARLAND (Bow River): Mr. Chairman, the vote provides for classification of lands for settlement. I have seen some of the work and I think it is excellent. The information gained by this classification will be very useful if it ever gets to the right quarter; but it will be of very little value if buried in the archives of the department. What efforts are being made by the department to have the information printed on maps in the languages of the various countries from which the minister is soliciting settlers? For example, a Pole goes into an immigration office at Dantzig; he is told a great deal about this country; he wants to know from the agent just where he should settle; the agent paints a glowing picture, assisted by Canadian Pacific propaganda and other colonization propaganda, of the great opportunities for farming in Canada; but the man is not quite sure that things are as rosy as the agent paints them; thereupon the agent takes him over to the classification map and directs his attention to the nice colouring. But the Pole cannot be sure that everything is as pictured by the immigration agent, and we know that the latter is not always above suspicion. I suggest the language of the countries from which we expect immigrants be used on maps of this kind, when sent abroad.

I fully support the statements of the hon. member for West Calgary (Mr. Shaw). I think the expenditures on surveys in all the various departments is very close to a Teapot Dome scandal. Let me add a few more of these surveys that we have discovered in running through the estimates: Department of National Defence, topographical surveys, $35,000; then item 251—the one we are now considering—topographical surveys of the Depart-

ment of the Interior, $470,000; geodetic survey of Canada, item 252, $275,000; geological survey, item 268, $320,000; for surveys and investigations of water and power resources, page 56, $547,000; these sums total about $1,647,000. But in the moment that elapsed between questions and some explanations by the minister we found, on page 53, that Indians are taken care of in the way of surveys—$8,000 for Manitoba, Saskatchewan and Alberta, $52,250 for British Columbia and $3,000 for general, or a grand total spent by this government on surveys in Canada of $1,710,250. The intentions of the minister regarding co-ordination and economy may be excellent, but the lower regions, we are told are paved with good intentions.

Mr. STEWART (Argenteuil): It is very kind of my hon. friend to say that the lower regions are paved with good intentions, but so are some of the upper regions.

Mr. GARLAND (Bow River): May I conclude before the minister replies to my question? I submit that the minister might take into more serious consideration the recommendations made last year, the year before, and this year with respect to co-ordination of all those surveys. The public expects that there should be quick action, not next year or the year after, but at once.

Mr. STEWART (Argenteuil): Is my hon. friend through? I may tell him that the minister has no intention of reducing the geological survey by one party or one dollar. In view of the fact that we are gaining rapidly in mineral production I think this is the most important piece of survey work that can be done in Canada. My hon. friend smiles; let him look at the records and discover how much the mineral production of Canada has increased in the last few years.

Mr. GARLAND (Bow River): The minister will surely forgive me; I was not smiling at the suggestion that this vote was important, but rather at the implication that I suggested for a moment he should reduce this particular item. I have pointed out that $1,710,000 odd is to be spent on various surveys, and I submit that the adoption of the recommendation of the hon. member for West Calgary (Mr. Shaw) that there be amalgamation or co-ordination—anything you like to call it—of the various survey departments, would indubitably lead to economies that would be effective in reducing the total expenditure under this head.

Mr. STEWART (Argenteuil): Yes, and the expenditure is reduced this year by $100,000; my hon. friend has missed that small item in his calculations. I repeat what I said a few moments ago, that there is co-ordinated effort. I have said that it was my desire to see the topographical work all under one head; I have repeated that half a dozen times. Now my hon. friend has mentioned that we have surveys in the Indian department. We have one surveyor in that department. We are trying to complete, with the province of British Columbia, the work in connection with what has been a vexed question ever since confederation, namely, the allocation of Indian reserves. Considerable additions to the reserves have been granted to British Columbia for this purpose, largely the outcome of the work of a commission appointed to deal with the matter. Hon. gentlemen who have been in office will remember that this was a very serious question, and it is not yet settled. When these reserves are properly set apart they will have to be surveyed, and the item appears on these estimates for that particular purpose. So my hon. friend has not discovered any mare's nest or any Teapot Dome. There is not a cent in any of these items the expenditure of which is not justified in the interests of Canada. While we could do without some of the work—quite properly so—I have pointed out that there has been a reduction of $100,000, which I regard as a respectable reduction under this head, and everything we are asking for is required, particularly the items in connection with the work to precede the geological survey. My hon. friend knows that you cannot send a geological survey party out to make a reconnaissance without having the topographical work precede it, and a very large proportion of this item is for work of this character. As to overlapping, I have said repeatedly that there is none. I have been very frank with the committee; I have nothing to hide. But it naturally incenses one when mention is made of Teapot Dome or any other kind of dome in connection with a vote of this character, and I propose to defend the vote somewhat heatedly.

Mr. FORKE: The hon. minister seemed to be a little heated over the Teapot Dome allusion, but I do not think he need take that very seriously; I think it just came in as an afterthought on the part of the hon. member who was making the suggestions. But in listening to the discussions in regard to the estimates I am struck with the hopelessness of any attempt to get anything lower than just what stands on the books here. I will guarantee that at this stage of the proceedings every minister who comes before the

House will defend every item in his estimates as absolutely necessary and will contend that nothing can be done a dollar cheaper. All over this country to-day there is a cry for economy; there is the suggestion that it is costing too much to run the country and that expenditures must be reduced. But it seems almost hopeless for a private member to get up and say anything about the estimates. I cannot see anything else for it but to keep pegging away.

Mr. STEWART (Argenteuil): I have no objection to any questions or any suggestions that may be made, but I do object to references of the character indulged in by the hon. member for Bow River (Mr. Garland) concerning the men who are in this department or concerning my administration.

Mr. GARLAND (Bow River): Will the minister answer my question about what is intended regarding the classification of land and the maps that are sent out based thereon?

Mr. STEWART (Argenteuil): Yes, with pleasure. There are no maps sent abroad of the character he mentions. The information is in our land offices at Prince Albert, Edmonton. Calgary or wherever the work is being carried on, and it is available to the prospective settler. Only a comparatively small area has been covered as yet, but so far as the work has gone I think the results speak for themselves and that they are appreciated by the people. As for sending maps abroad, I had some experience in the Immigration department. My hon. friend has criticized the propaganda sent out to various countries to encourage settlement in Canada. Perhaps those statements are too glowing; I am prepared to agree with my hon. friend. I think also that other organizations outside the control of the government do paint very glowing pictures, at least if one is to judge by the statements made by settlers who have come to Canada. But so far as I am concerned I have warned every officer with whom I came in contact to tell the whole truth; that the truth was good enough; that the facts could be stated with respect to lands and opportunities in Canada and the people concerned could then make up their own minds about it. I am not going to suggest that I would like information of that sort to go abroad. I think it is well to have it in the land offices, available for anyone who goes there—and they must go there in order to secure maps and diagrams of the localities in which they propose to settle. These prospective settlers, no matter what country they come from, are usually accompanied by a friend who can speak the language and who knows the kind of information that is given out.

Sir HENRY DRAYTON: The hon. member for Brandon (Mr. Forke) tells us that no matter what is said or done by any private member the amounts brought down by the minister will go through, and we have a cry of despair from the hon. gentleman because of the impossibility, as he says, of doing anything about it. But I would tell him that it is not at all impossible if members are really serious in their cries for economy, and if they have not only the courage to talk but also the courage to vote accordingly. It is not at all impossible to do, and usefully do, a good deal. We have had votes on the question of economy. We have had votes, for example, on the question of $50,000 for ornamental lighting and the like. We have had loud declamations against extravagance. We have had them here. The hon. gentleman says it is no use. Well, if he has the courage of his convictions—

Mr. FORKE: I have had the courage of my convictions.

Sir HENRY DRAYTON: Then I will give the hon. gentleman an opportunity now by moving a reduction in this vote of $65,450, and I point out the grounds on which that motion is absolutely in order, having regard to the statement of the minister himself. I take the first line "Topographical and general surveys." The alleged justification for this work at the present time is in connection with the all important geological surveys, and we have had the admission this afternoon that this work was well ahead of the geological work and was not necessary for that purpose. I therefore move to reduce the vote by these two items together, one of $46,000, and the other of $23,450, making $69,450.

Mr. STEWART (Argentueil): Do I understand that my hon. friend is proposing to reduce the vote for topographical surveys to $60,000?

Sir HENRY DRAYTON: No. I purposely made it a very, very reasonable reduction, following the minister's explanation. I moved to reduce it by the sum of $69,450.

Mr. STEWART (Argenteuil): I do not understand how my hon. friend arrives at his deductions. I may say that we have a large number of requests from various sources for topographical survey work, and I think in fairness to myself and to the committee I should say that these amounts have been cut,

and very heavily cut, from the appropriations first presented to me. I had felt that I was making a very substantial reduction. After going at the thing, not with the idea of giving all the service that I thought was desired, but rather cutting it as far as I could, almost to the minimum, I have made a cut in the two services of $100,000, which I think is a fairly respectable cut, having in mind the service to be rendered. I am prepared to say that next year I can come with a further substantial reduction. I have reduced every year since I have been minister. I have tried to meet the conditions that I think exist in the country; I have tried to be economical in my department, but my hon. friend is never satisfied, nor would he be satisfied if I cut the vote by $100,000 more. If I cut it down by that amount he would still take the ground he is taking now, that it ought to be cut some more. There has never been a year in which my hon. friend has not treated this vote in the very same way. I have no quarrel with reduction. I am trying to reduce. My hon, friend should bear in mind that this service was not inaugurated as a war service. It was part of the general service of the government of which my hon. friend was a member. He thought in his day as minister that it was advisable to carry on this work, but now when another government is in office, and another minister in charge, no matter how big a reduction is made, he wants a still further cut. To be candid with the committee, I felt that I was doing a pretty fair amount of cutting this year. I told the committee last year I would cut, and I have come back this year and kept my promise. I tell the committee again this year that I intend to make a further cut next year. I have told the committee frankly what I think we should get down to in topographical survey work in Canada, and all the other items of survey work.

Let me say one word more with respect to the surveys of the Indian reserves in British Columbia. The matter is not settled at the moment, but we hope that it will be. It has been a very vexatious question, and I think we ought to settle it if it is humanly possible to do so, and have the surveys made, in order that the natives who have spent a great deal of money agitating over this question may settle down upon the reserves allocated to them.

I hope the committee will sustain me in this vote. I think I am safe in saying that I have made a cut in every item in the estimates of the Interior department, and I do not say that I have yet reached the end. I have closed up this year at Saskatoon an office with all the staff. I have made heavy reductions throughout the department, in order to meet the situation as I see it in Canada at the present time and save some money. I am not administering a department that grew out of war activities.

Mr. HOEY: Will the minister tell us from what sources demands are coming for topographical survey work at this time?

Mr. STEWART (Argenteuil): These requests come from practically all the governments except Ontario. Requests for surveys come frequently to our office. We will not be able to give British Columbia anything like what she wishes for this year, and what I think perhaps she is entitled to. So far as the prairie provinces are concerned, I am bound to admit that some division work is away beyond the necessities of the case. As to the other work, that of land classification, in some of the older settled parts, we have to establish lines that have been obliterated. I may say that thousands of requests have been turned down because I felt that we did not have money enough to go on with this work.

Sir HENRY DRAYTON: I want to thank the minister for the lecture he has been good enough to read me on my rashness in endeavouring to save a little of the country's money at the present time.

An hon. MEMBER: Too late.

Sir HENRY DRAYTON: Of course, that is the cry—too late. This government is so confident of this House that it is too late to challenge a vote when it comes to the House if the government has seen fit to put its imprimatur on it. However, this is absolutely correct. My hon. friend said I was against this vote two years ago. I was. I have always been against it. I think our expenses to-day are ridiculous; they were before, and to the extent that they were higher before they were more ridiculous; but with this difference, unless you are going to go over the lines again you have to come to an end even of surveys. Just imagine anyone seriously objecting to the House trying to bring into effect a little economy at the present time, and yet the minister in charge of this department is running lines up into the arctic circle on the one hand—

Mr. STEWART (Argenteuil): My hon. friend will correct his last statement about running lines to the arctic circle. We are not running lines into the arctic circle but only along the Mackenzie river.

Sir HENRY DRAYTON: That is the line I am referring to, and it is the one that

has been spoken of this afternoon. And then we have the survey of unnecessary divisions and subdivisions in the prairie provinces. If ever there was an admitted case for economy it is here; if there ever was a situation where the government could exercise economy it is in the present instance.

Mr. STEWART (Argenteuil): I may tell my hon. friend that no subdivision work in the prairies is provided for in this vote, not to the extent of one acre.

Mr. FORKE: While compliments are being exchanged across the floor of the House I also wish to thank the hon. member (Sir Henry Drayton) for the lecture he gave me. I think, perhaps, that in doing what he did the hon. member was of opinion he was giving me a "dare." Let me tell my hon. friend that I am not to be influenced in any position I take by any such suggestion. No "dare" of that kind is likely to make any change in the way I shall vote. I can sympathize with the minister in his efforts to get these estimates through.

Some hon. MEMBERS: Hear, hear.

Mr. FORKE: Hon. gentlemen to my right say "Hear, hear." They are always looking for trouble.

Mr. HOCKEN: We are trying to help the minister.

Mr. FORKE: That is a good spirit to display, I hope my hon. friends will continue it. In estimating for expenditures it is sometimes a good idea to fix a certain sum and make the provision for your necessities come within that figure. If we simply look at the necessities to be met we shall never accomplish any real economy in public expenditures at the present time. This vote is a pretty large one and, notwithstanding what the minister says, I know it is not absolutely required. I can understand that there are conditions which may seem to make the expenditure necessary, but the country will still go on and do very well if a reduction in the sum asked for is made. I am in favour of a reduction not because any "dare" has been extended to me, but because I believe it would be in the public interest.

An hon. MEMBER: Think of your conscience.

Mr. FORKE: The hon. gentleman need not remind me of my conscience, it is quite clear.

Mr. CAMPBELL: Did I understand the minister to say that the classification of land for settlement was all done on lands belonging to the Crown?

Mr. STEWART (Argenteuil): No, some of it is not done. We could render splendid service to many communities but we cannot afford it. There have been a number of new comers arriving in Canada, and the object of this classification work has been with a view to getting information for such persons who must depend upon that information in the selection of their land. I cannot promise that expenditure could be made for carrying out surveys of lands already settled. I think for the time being our efforts will have to be confined to the class of work indicated.

Mr. GARDINER: Will the minister state how far these Crown lands are from railway communication?

Mr. STEWART (Argenteuil): I might mention one instance where the classification has taken place in a district my hon. friend is well acquainted with, west of Wetaskiwin and where at the moment the settlers are a considerable distance away from railway communication on the Canadian Pacific. But a line is being run from Lacombe into the territory west of Wetaskiwin. A considerable amount of classification has been done in that territory in which many settlers have located. We find settlers squatted all over; a newcomer who has taken up homestead land does not pay very much attention at first to the railway facilities that exist. I am told that practically all our classification has been confined as far as possible to within fifteen miles of an existing railway.

Mr. GARDINER: May I suggest to the minister that it would be advisable not only to keep classification to districts very close to the railroad, but also to have lands made available for settlement within reasonable distance of the railway lines. If we allow settlers to spread all over the territory we will be called upon to provide transportation facilities for them, facilities that at present we cannot afford.

Mr. STEWART (Argenteuil): I think I can agree thoroughly with my hon. friend because that is a policy I have always advocated. Unfortunately it is a very difficult policy to carry out. For example people went into the Peace river district, hundreds of miles from railway facilities, and it cost the country a very considerable amount to extend the railway communication into that country. It must not be understood that I

am objecting in any way to the Peace river country itself, it is one of the finest territories that I know of. I simply cited that as a case of a territory into which people were determined to enter and settle. You are not able to prevent settlers from entering certain districts when they conceive a particular fancy for settling there.

Mr. GARDINER: I would suggest to the minister the possibility of withdrawing such lands from settlement, because so long as they are made available for that purpose it is natural for people to go there who feel so disposed. I think the time has come when the policy of the government should be to make lands available that are close to transportation facilities, or are in districts that are going to be provided with such facilities in the near future.

Mr. STEWART (Argenteuil): Then we have this other difficulty: Take Fort Vermilion, or the area down at Fort McKay; squatters have settled there and application has been made to have the land surveyed, but we have not granted it. Still, people go in and squat on the land. In this way you have a very difficult proposition to meet and provide for. Knowing the western situation nobody would be happier than I to prevent the indiscriminate spreading of settlement if it were possible, because I am aware of the difficulties that follow.

Mr. GARDINER: I will make another suggestion to the minister and to the government. Possibly the best way to get over this unfortunate situation is for the Dominion to transfer these natural resources to the provinces which can handle them more easily than we can.

Mr. STEWART (Argenteuil): I am perfectly willing—

Mr. CALDWELL: "Barkis is willin'".

Mr. STEWART (Argenteuil): —and always have been.

Mr. KENNEDY (Edmonton): What has been done with regard to the classification of land in the Peace river country?

Mr. STEWART (Argenteuil): I am informed that that work was done two years ago for the Soldier Settlement Board, although it was not all our survey work. We do not want to claim all the credit for everything that has been done in this connection. Because as my hon. friend knows, under the Soldiers' Settlement grant, surveys were made which are probably just as accurate and reliable as those of our engineers. However, there is undoubtedly a very large unsettled area up there as to which accurate information has been filed.

Mr. CAMPBELL: I think the surveys extending out into the Peace river country offer a very good example of the system of locating settlers in advance of transportation facilities, and I maintain that if the government surveys the land and throws it open for settlement they are under an obligation to provide railway facilities for the settlers that come in. Two years ago I pointed out to the minister the danger of surveying land for settlement a long distance from railway facilities. In a short time we shall have settlements grow up in such districts and a demand will be made for branch lines of railway. Then we shall have the same old problem over again that we are now facing of making provision for building these railways. The branch lines that are demanded in the West to-day originated, to a large extent, on account of the oversurvey that was carried out by the government. We have a very small population occupying a tremendous tract of territory, and it seems to me that the time has come to stop this reaching out and occupying land beyond transportation facilities. I was rather surprised to see that the minister intended confining the surveys entirely to crown lands, because from what I know of western Canada there is very little crown land that will be accepted for settlement, unless more railways are built in the West. I live in one of the choicest homestead districts perhaps in western Canada, and yet there is hardly a homestead available there that would be taken up by any settler. Sometimes a man will, in a moment of optimism, and perhaps primed up with colonization literature, file on one of the homesteads, but after a year or two, or possibly in a few months, that man will abandon the homestead pull up stakes and leave, after having done a good deal of hard work and spent considerable money. I think the time has come to stop this practice. We should try and induce settlement near the railways where we have transportation facilities, roads, schools, churches, elevators and all the necessary trade facilities. Let us try and use these. One of the troubles in western Canada is that we are over built. We have too many facilities. Let us try and use what we have before we reach out and demand more.

Mr. STEWART (Argenteuil): I am sorry my hon. friend misunderstood me. It was not the survey work; it was the classification work.

Mr. CAMPBELL: I understood the hon. minister to say the classification for settlement was entirely confined to crown lands.

Mr. STEWART (Argenteuil): No, it has not been in the past; but I made the statement that for the future we are cutting down, and we will have to cut down even more than we are doing now. We cannot promise that we will make surveys of areas in which settlement has already taken place, unless there be crown lands for settlement in that area. Then in every case we would be quite willing to do so; but for the federal government to make a survey of all the lands in the hands of private people would be a pretty large undertaking.

Mr. WOODSWORTH: Has the minister considered any claim for forcing the lands now being held by private individuals into use? Throughout the entire western country there are millions of acres of lands adjacent to the railway that are held out of use. The maintenance of railway facilities, the necessity for general development, municipal administration, schools and so on entails a tremendously heavy burden on the settlers who are there. It seems to me the time has come when the government should devise some means of insisting that lands that were intended for bona fide settlers should in some way be restored to the people and made available for use.

Mr. CAHILL: Will the hon. member make a suggestion as to how that could be accomplished?

Mr. WOODSWORTH: Yes, very easily, by a system of taxation of land values.

Mr. CAHILL: Which system?

Mr. WOODSWORTH: Any system which would take the economic rent of the land. That would mean that lands of that kind should be taxed when they are held out of use. It is the well known principle of the so-called single tax. I do not mean to carry out the full principle of the single tax, but if lands are held out of use, I say they should be more heavily taxed. If lands which are particularly valuable along the lines of railway, are held for speculative purposes, they should be more heavily taxed. The actual bona fide settler is carrying the load, enhancing the value of these lands, and thus putting money into the pockets of the people who are doing no work on the land.

Mr. POWER: Would we require a special survey branch to find out what lands are in use and what are not in use? And if we carry out the principle the hon. member suggests, would we not require this amount to be voted for the service?

Mr. WOODSWORTH: Any real estate office will give the information required; or it could be obtained in the municipal offices.

An hon. MEMBER: Or from the Canada Colonization Company.

Mr. WOODSWORTH: Yes. What we need is a new policy.

Mr. CAHILL: Would the hon. member suggest that the Dominion government should tax the lands in Canada or that the municipal government should do it?

Mr. WOODSWORTH: Under present circumstances, the Dominion might well tax them, since they were originally Dominion lands intended for homestead purposes. But the original idea has been frustrated, and in a great many instances these lands that ought to belong to the homesteaders have been appropriated by private interests and are not now available for the real settlers, who have been induced to come here, and if possible to buy lands which ought to be granted freely to the people and which will need to be granted freely to the people if they are going to make a living on them.

Mr. STEWART (Argenteuil): I think in fairness to myself I should inform my hon. friend that in Alberta we placed a 25 per cent taxation upon unimproved lands, over and above the tax on improved lands in the hope of accomplishing just what the hon. gentleman is proposing.

Mr. HOCKEN: Did you accomplish the purpose?

Mr. STEWART (Argenteuil): No, not so far; but I do not know anybody up there who is particularly anxious to hold on to land which he is not using.

Mr. CAMPBELL: We have a system of taxation called the Wild Land tax, under which any land suitable for agriculture or growing purposes has to bear a special tax, and the results have been excellent. The speculator would either have to rent his land or sell it at a reduced price. Conditions are such in the western provinces that the tax

will compel many people to abandon the lands. If a person wants cheap land all he has to do is to go to the municipal clerk, and he can generally buy a very reasonably priced piece of land in a municipality for the taxes.

Mr. LOVETT: Has a survey of this kind been made in the province of Nova Scotia, and if so in what part of the province?

Mr. STEWART (Argenteuil): Yes, in the New Glasgow district.

Amendment (Sir Henry Drayton), negatived: Yeas, 45; Nays, 53.

Item agreed to.

Mr. COOTE: Did I understand the minister to say that the Soldier Settlement Board had made land surveys on their own account?

Mr. STEWART (Argenteuil): Yes, land classification on their own account.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Geodetic Survey of Canada—investigations, reconnaissance, triangulation, precise levelling, geodetic astronomy, etc., $275,000.

Mr. McQUARRIE: Will the minister explain this item and the saving which has been effected?

Mr. STEWART (Argenteuil): This item has been cut down by $50,000, the same as the other. The geodetic survey is a survey which establishes in a permanent manner a series of points of reference at convenient distant points whose geographical position, latitude and longitude, have been obtained by nets of triangulation and astronomical observation. It also determines accurate points from which other surveys can be made in the principal towns and cities by lines of precise levelling. It thereby forms the basis of survey and mapping work carried on by other departments of the Dominion government, by provincial governments and by municipalities, corporations and private persons. We are asking for:

Triangulation	$105,450
Base lines	7,000
Geodetic astronomy	4,000
Precise levelling	20,000
City mapping	8,000
Instruments	2,005
Books, charts, etc.	475
General expenses	11,300
Salaries	116,770

Mr. McQUARRIE: Would it not be possible to discontinue some of the work for the present?

[Mr. Campbell.]

Mr. STEWART (Argenteuil): We have cut down the work to the extent of $50,000 for this year. This is largely a matter of men. We have laid aside a ship that has been in use by the department along the coast in the gulf of St. Lawrence, and we have made a very considerable cut in the general operations. My hon. friend will observe that this is the basis for all other surveys. There are located on elevations the precise spot from which topographical survey work is carried on as well as work along the streams and lakes for the purpose of assisting navigation.

Mr. McQUARRIE: This work, I understand, has been going on for many years. Is it something that will continue for a good many years yet in Canada?

Mr. ROBINSON: Is the same number of parties being sent out this year as last year?

Mr. STEWART (Argenteuil): There is a reduction of five parties from last year.

Mr. ROBINSON: Can the minister indicate where those five are to be cut out?

Mr. STEWART (Argenteuil): As the bulk of this work is carried on in the East, most of them will be cut off in eastern localities.

Mr. ROBINSON: Can the minister indicate where?

Mr. STEWART (Argenteuil): I can give an indication where it is proposed to do the work. I cannot tell just where these parties will be cut out.

Mr. McQUARRIE: Where is the work to be done?

Mr. STEWART (Argenteuil): Direction measurement is a continuation of the 1923 operations to extend the triangulation from Cape Breton island to Newfoundland, to serve as a basis for similar work in that country and to co-ordinate the charting of Newfoundland waters with that now being done in Canadian waters and that formerly done by the British Admiralty in the same district. One sub-party will complete this work and then move to the Baie des Chaleurs where it will join the other sub-party to continue the St. Lawrence river triangulation along the Baie des Chaleurs and the east coast of New Brunswick.

A tower building party will prepare stations along the east coast of New Brunswick at points which have been already selected.

A secondary triangulation party will operate in the Fredericton, N. B. vicinity, establishing control points for the topographical survey mappers.

Another party is to control charting of that part of the gulf of St. Lawrence at present being charted by the Hydrographic Survey, to serve as a basis for provincial surveys north from the north shore of the gulf. That is the work that is being done in the Maritime provinces for this year.

Another survey is a continuation of the secondary triangulation which in 1922-23 was carried along the Upper Saguenay river, lake St. John and southward towards Three Rivers. The 1924 operations will continue this work southward to connect with the primary triangulation near Three Rivers.

The statement which I have proceeds:

Ottawa river. This work is a continuation of the triangulation up the Ottawa river to serve as a basis for geographical work by the National Defence department and the Ontario and Quebec governments.

49th Parallel—Party No. 5 .. .. $21,500

Continuation of primary triangulation along the international boundary from the 103rd meridian (near Estevan, Sask.) eastward to Lake of the Woods. The section from the 109th meridian to Lake of the Woods is the Canadian share of a co-operative scheme with the United States Coast and Geodetic Survey. The western half of the Canadian section has been completed. This net will form the basis of all future triangulation in western Canada.

British Columbia—Alberta Boundary—Party No. 6.. .. .. $14,400

The operations in this section are secondary triangulation to control the geographic position and accuracy of the boundary surveys from Yellowhead pass northwest to the intersection of the continental watershed with the 120th meridian.

In 1922 and 1923 the reconnaissance for the selection of stations was completed and almost one quarter of the angle measurement was finished. In 1924 four parties will be able to conclude the angle measurements and measure the base line at the north end of the section, thus completing the work.

British Columbia—Party No. 7.. .. .. $18,130

To furnish control for the hydrographic survey of the Department of Marine and Fisheries, the provincial government of British Columia, and to serve as a basis for surveys of all kinds.

Base Lines—Party No. 8.. .. .. $7,000

These base lines are measured at intervals in triangulation nets to check the scale of the triangulation so that the effect of the accumulation of angular measurements can be checked and corrected.

Four base lines are required during 1924, one in the northern British Columbia coast net, two on the 49th parallel net and one on the Ottawa river triangulation.

Geodetic Astronomy—Party No. 9.. .. .. $4,000

Geodetic astronomy consists of the establishing of Laplace points for the determination of astronomic longitudes and azimuths at triangulation stations of the geodetic survey to improve the accuracy of the work by eliminating the bend or twist that otherwise tends to develop in the triangulation.

The establishing of Laplace points is one of the most important phases of field astronomic work and is one of the most essential parts of the field work of the Geodetic Survey of Canada.

Six Laplace stations are required in 1924, two along the B.C.—Alberta boundary, three along the 49th parallel and one on the Ottawa river.

Precise Levelling—Parties No. 10 to 12.. .. .. .. $20,000

This work is for the purpose of determining the elevations above mean sea level of points to serve as bases for surveys of all kinds.

Three parties will be sent out, two in Quebec and one in British Columbia.

That covers the work of the parties.

Mr. CALDWELL: Is part of this vote to be used for building towers? If so, are the towers to be permanent structures?

Mr. STEWART (Argenteuil): These towers are for the purpose of taking very long observations.

Mr. CALDWELL: But are they permanent structures?

Mr. STEWART (Argenteuil): They are built of wood and will last the ordinary lifetime of wood.

Mr. CALDWELL: I ask the question because about seven years ago one of these towers was built on a high hill within four miles of where I live. It was constructed of fir and spruce, the least durable of woods, and fell down a few years later. It must have cost a considerable sum of money as quite a large party was engaged in its construction, which occupied some time. To construct towers of such material is in my opinion simply a waste of money and labour, for they will last at best only three or four years. There is plenty of cedar in that country, and it would be more economical to use it in these towers.

Mr. FAFARD: Cedar is very scarce on hilltops.

Mr. CALDWELL: But at the foot of hills there is cedar.

Mr. STEWART (Argenteuil): I am informed that these towers are now constructed in conjunction with the Forestry branch of the New Brunswick government and are of a much more permanent character.

Mr. CALDWELL: The tower of which I am speaking was not built for forestry work, the district being devoted entirely to farming. I understand that to-day the government in New Brunswick is building look-out towers in

forest areas for fire protection service. My point is that it is a waste of energy and money to build towers of material so entirely lacking in durability.

Mr. CHAPLIN: Is it not a fact that once the geodetic survey is completed these towers are of no further use and may be taken down?

Mr. STEWART (Argenteuil): That is correct, except that now in most of the provinces wherever there are forest areas these towers are afterwards utilized for fire protection work, and therefore a little more care is being exercised in their construction. I think the tower in question was in use only two or three months.

Mr. CHAPLIN: It appears to me that we can save money on this geodetic survey. I notice that in 1918-19 according to the Estimates $112,000 was spent; in 1919-20, $149,000; in 1920-21, $290,000.

Mr. STEWART (Argenteuil): I am informed that when the boundary survey was nearly completed a number of the men came into this department, which, with the returned soldier problem, accounts for the $290,000 voted in 1920-21. In 1922-23 the same condition prevailed. The work has expanded; there is no doubt about that. This year we are trying to get back to the old condition of affairs, and to that end we have cut off $50,000.

Mr. CHAPLIN: In 1921-22 there was an item in the estimates of $37,000 for international boundaries, and in 1922-23 an amount of $35,000. They were in separate items, and they did not appear under the geodetic survey. In 1921-22 there was $325,000 for the geodetic survey and in 1922-23 a similar amount. In 1918-19 the amount was $112,000 and in 1919-20, $149,000. I think it is time we got back to the level,—back to the ground.

Mr. STEWART (Argenteuil): The reclassification of these services added a considerable amount to the expenditure. My hon. friend is referring to years when the service was perhaps at its lowest, following the period of the war. When a man moves out his position is not filled, and we are cutting down services as fast as we can without creating too great hardship. Not that I am asking that the government carry a group of men who are not rendering service; that is not my point at all. If these men had been continued on the day rate basis I do not think they would have had serious complaint to offer had their work been discontinued, but I think it is only fair to those men who were blanketed in in 1919 that we should proceed as we are doing. Throughout the whole of the Interior department we are reducing the services as fast as we can, and I expect to reduce in the same way next year until we get back to where we were in 1916-17.

Mr. CHAPLIN: Last year there was no reduction at all. We asked for a reduction and the minister told us pretty much what he is telling us now. After three or four years of high pressure he now takes off $50.000 That is no reduction at all; we are still double what we were in 1918-19 and 1919-20.

Mr. LEADER: I notice in the Auditor General's report that some men engaged in this work get a living allowance of so much per day and at the same time charge so much for board and lodging. I wonder if they can do that.

Mr. STEWART (Argenteuil): I think I have in mind the case my hon. friend mentions. This man was brought here in 1921—

Mr. LEADER: I did not have that particular case in mind, but as the minister has mentioned it I may be allowed to refer to it. In 1921 the Field Superintendent of Irrigation was brought from Calgary to Ottawa to perform special duties here. An order in council was passed on, I think, the 23rd of July, granting him a living allowance of $6 per day. In January, 1922, an order in council was passed granting him $1,086.50 to bring his family from Calgary to Ottawa. It is now over three years since he was moved from Calgary to Ottawa. He is permanently situated here, drawing his regular salary, and at the same time he is drawing this $6 living allowance. I would like to ask the minister if they can do that.

Mr. STEWART (Argenteuil): Yes, I will have to admit they can do that. The regulations provide that when you move a man from his headquarters you pay his removal expenses if he receives no increase in pay. We had a great many of these last year because we have been closing offices, moving men about and trying to cut down the staff with a view to economy. If there is an increase in pay the removal expenses are not paid. In this case, as I understand it—this happened before I came into the office—Mr. Peters was brought from Calgary in connection with the reorganization of the survey staffs. I am not denying that there have been difficulties in that connection and that things have not been as smooth as we would like in the reorganization work. Subsequent to his arrival here, after a very considerable delay a competition was arranged by the

Civil Service Commission and Mr. Shanks was given the position. As soon as this was brought to my attention the living allowance to Mr. Peters was stopped; that was some time about the middle of last summer. Mr. Peters is here, but he has drawn no living allowance since then. Mr. Shanks is confirmed in the position by the Civil Service Commission. Mr. Peters was up to the time of his removal here a permanent official of the Surveys branch, attached to the Irrigation branch at Calgary. I did not follow my hon. friend's question about living expenses.

Mr. LEADER: On page K-179 of the Auditor General's report it is shown that Mr. Rannie is allowed $5 per diem for living expenses while at the same time he charges for lodging and board.

Mr. STEWART (Argenteuil): That is quite correct. There is provision for $5 a day when they are away from Ottawa on their inspection work.

Mr. LEADER: The minister knows that Mr. Peters was drawing his regular salary and in addition to that drew a living allowance of $6 a day for over two years. Is that in the interests of economy? I think any man in the public service should be satisfied with one salary. One is sufficient, it seems to me, and I am sure the people would think so too. If the custom is otherwise, the quicker we stop it the better.

Mr. STEWART (Argenteuil): I agree thoroughly with my hon. friend. There have been a good many cases in which delay has occurred, particularly with respect to removals and adjustments of this kind. I know of no case so long as that mentioned by my hon. friend, but I may cite one case of an agent being removed from Moose Jaw to Lethbridge. In that case it was over four months before he was confirmed in his position, and under the regulations we paid during that period a living allowance, just as we do to Mr. Rannie when he leaves his headquarters and goes out on inspectional work. We also pay the moving expenses if there is no increase in salary.

Mr. LEADER: I would like to read the last sentence of a letter from Mr. W. W. Cory, the deputy minister, in regard to this question:

> In the meantime, however, until this is settled, I don't think he should be called upon to make any refund, on the contrary we should continue to pay the living allowance authorized by Council.

Mr. STEWART: (Argenteuil): I stopped that living allowance at once.

Mr. STEVENS: If I caught the minister correctly he said a moment ago that the living allowance of this gentleman, Mr. Peters, was cut off the middle of last year.

Mr. STEWART (Argenteuil): I have not the exact date, but it was some time last year. It was at the date that Mr. Shanks was confirmed in the position.

Mr. STEVENS: I am not referring to that incident, but I am under the impression that in the Auditor General's report there is a letter from the Auditor General to the Treasury Board dated about the end of January of this year in which he objects to the continuance of this allowance being paid to Mr. Peters, but he waived further objection on the distinct understanding that Mr. Peters was immediately to go back to Calgary. It was something to that effect.

Mr. STEWART (Argenteuil): I think I am right about that.

Mr. STEVENS: The minister may be right. I have not the Auditor General's report under my hand or I could read the letter. In any case a protest was made by the Auditor General on two or three occasions and finally he appealed to the Treasury Board, and the question which I think it is proper to ask the minister to explain is why the department persisted in continuing this man's living allowance in Ottawa when his services were certainly not required here for many, many months, and when it is doubtful if he should have been allowed to stay here for perhaps the last year under the circumstances. I do not wish to embarrass the minister too much. I know he has a lot to look after, the Post Office Department on top of his own, and perhaps it is unfair to expect him to know too much about his own department. It might be well to have a new Postmaster General to help him out in his labours. But I think it is wholly unfair to the country, and absolutely unwise from an administration standpoint to keep expensive officials comparatively idle, and when I say that I think I am speaking very, very kindly about this gentleman, and continuing to pay him a living allowance in addition to a very handsome salary over a period of—I have forgotten just how long but it was quite a long period, a year and a half or thereabouts. Furthermore, I think that when the Auditor General merely drew the minister's attention to the fact it should have been remedied at once, and the Auditor General should not have been forced to go to the Treasury Board and get a further ruling on the matter; and then only at the last

moment under a strict stipulation that the man should go at once out of the city and back to his former haunts was the payment authorized.

Mr. STEWART (Argenteuil): I am sure no living allowance has been paid him since October.

Mr. STEVENS: The minister is quite sure of that?

Mr. STEWART (Argenteuil): I am taking the word of my official.

Mr. STEVENS: I do not question the minister's sincerity, but I am a little doubtful of his accuracy.

Mr. STEWART (Argenteuil): My recollection of the circumstances is quite clear. When Mr. Shanks was confirmed in the position I at once gave instructions that the living allowance for this man was to be discontinued. As a matter of fact, I am not at all in sympathy with that sort of thing.

Mr. CHAPLIN: Do I understand the minister to mean that he is continuing this service for the purpose of keeping certain men employed?

Mr. STEWART (Argenteuil): No.

Mr. CHAPLIN: I took that certainly from what the minister said a few moments ago.

Mr. STEWART (Argenteuil): After the period of the war a large addition was made to the staff. I am not for one moment suggesting that this is not a valuable service, because I think it is, for all other survey work must commence from the work done by the geodetic survey. Neither am I making the excuse that we could not get along with perhaps less men, but I do ask the indulgence of the committee to allow me to cut down reasonably in this case as I did in the other. I have cut off $50,000 from this vote this year. I can say to my hon. friend that this is not work that deteriorates in value or is lost; it is very valuable work .

It is pointed out to me that a great many requests come to me for this work, and that is true. We are not able to satisfy perhaps 75 per cent of the requests we get for precise levelling and surveys along the shores for the purposes of navigation and charting. I can only plead with the committee to take a reasonable view of this matter. I am cutting this service just as fast as I think we should be warranted in doing, having in mind the service that has to be performed and the difficulties we have in cutting down the staff. This is not a service that has been inaugurated since the war. Many of the men in this service enlisted, and when they returned from the war they expected to get their jobs back, and all credit to the old government that gave them their jobs back. Now we have the responsibility of cutting down this staff, which includes many returned soldiers, and turning them adrift when there is little to do; but it will have to be done.

Mr. LEADER: This is really a very important matter. A principle is involved. I do not doubt the minister's word for a moment, but it is possible that he is not as conversant with the details of his department as he might be. I think it would be well for me to read the letter of protest from the Acting Auditor General, dated December 13, 1923. He says:

> Sir,—On July 23rd, 1921, an Order in Council (P.C. 83/2614) was passed granting to Mr. F. H. Peters, Field Superintendent of Irrigation at Calgary, who was called to Ottawa to be temporarily assigned to special duties in the Department of the Interior, a living allowance from March 1st, 1921, of $6.00 a day while on special duty in Ottawa.
>
> On January 31st, 1922 an Order in Council (P.C. 41/200) was passed authorizing the payment to Mr. Peters of the sum of $1,084.50 being the amount of his removal expenses from Calgary to Ottawa. From the accounts rendered in support of this claim Mr. Peters appears to have removed his family from Calgary to Ottawa in the early part of October, 1921.
>
> Although Mr. Peters was paid his removal expenses nearly two years ago the Department of the Interior has continued to pay, and is still paying, the per diem allowance of $6.00 to Mr. Peters, on the grounds that he has not yet been permanently assigned to duties in Ottawa, but that he still holds the position of Field Superintendent of Irrigation with headquarters (nominally) at Calgary.
>
> As the payment of this living allowance has been continued for such an extended period I should like to be informed if it was the intention of the Treasury Board that it should be paid so long as Mr. Peters was retained in Ottawa, notwithstanding the fact that his removal expenses were also paid some two years ago. The last official intimation that I have as to the payments to Mr. Peters makes the total amount of $5,850 paid him on account of living allowance up to October 31st, last, in addition to the $1,084.50 paid as removal expenses.

There is another letter here dated January 10, 1924 from Mr. J. C. Saunders, secretary of Treasury Board, which reads as follows:

> Dear Sir,—I beg to acknowledge receipt of your communication of the 13th, ultimo, concerning continuation of per diem living allowance to Mr. F. H. Peters of the Department of Interior.
>
> The Treasury Board, after full consideration of the special circumstances connected with this case, and in view of Mr. Peters' return to Calgary at an early date, are of the opinion that payment of his living allowance may be continued until his departure from Ottawa.

That is over three years ago and he is still drawing his $6 per diem according to this correspondence. I am sure the minister is not cognizant of the real situation.

Mr. STEWART (Argenteuil): I know that I issued instructions to discontinue this. That is the statement I have to make in respect to this matter.

Mr. LEADER: When did you issue instructions to have this per diem allowance of $6 stopped?

Mr. STEWART (Argenteuil): I would not like to state.

Mr. LEADER: The last letter I quoted was dated January 10, 1924.

Mr. STEWART (Argenteuil): Yes.

Mr. STEVENS: There is a letter dated as far back as June, 1923, drawing attention to this very same matter. I agree with the hon. member who has just spoken, there is a principle involved in this. At least those responsible for the payment of this allowance ought to be taken to task.

Mr. STEWART (Argenteuil): If my hon. friend will let the matter stand we can take it up later. In the meantime I will endeavour to be certain of my information. This matter has nothing to do with the particular item under consideration, but I would like to be sure of my facts before discussing it.

Mr. CHAPLIN: Did I understand the minister to say a few moments ago that as men die or are retired no new appointments are made in this department?

Mr. STEWART (Argenteuil): We have been discontinuing as many appointments as we could, and making transfers to other points.

Mr. CHAPLIN: Could the minister state how many new people have been taken on in the last two years?

Mr. STEWART (Argenteuil): I was speaking of last year.

Mr. CHAPLIN: Well, give the information for last year.

Mr. STEWART (Argenteuil): There were none last year.

Mr. STEVENS: How much was spent in this department last year?

Mr. STEWART (Argenteuil): The accounts may not all be in for last year. There was $343,000 the year before last and $315,000 so far for last year.

Mr. HANSON: How much salary did this field secretary draw in addition to the handsome bonus of $6 a day?

Mr. STEWART (Argenteuil): The sum of $4,500.

Mr. CALDWELL: Does the minister say we will be able to discuss the case of this Mr. Peters?

Mr. STEWART (Argenteuil): Yes.

Mr. CALDWELL: I gathered from what the minister said that one of the reasons why he was not reducing this vote further this year was because a great many of these men were returned soldiers and he felt the country owed it to them to continue their employment.

Mr. STEWART (Argenteuil): No. I would not like to put it that way.

Mr. CALDWELL: How many of the men in this department are returned men?

Mr. STEWART (Argenteuil): About 75 per cent of the field engineers.

Mr. CALDWELL: What percentage of the whole force would these field engineers be?

Mr. STEWART (Argenteuil): Almost 75 per cent.

Mr. CALDWELL: The more I think it over the less I like this vote, largely owing to the fact that I think it is not one of the essentials. That may be due to my ignorance of the character of the work that is carried on, or at least some of it. But in view of the fact that we have a big cut of $250,000 in connection with the Health of Animals Act, and another reduction of $50,000 in the estimates for the Health department, a very important one too having reference to combating venereal disease, and numerous others, it looks to me as if we are proposing here to spend too much money in non-essentials. That is my candid opinion as a member of the House. Then it must also be remembered that the grant for agricultural instruction to the provinces has been discontinued. In view of these facts I think the country at large will view expenditure of this kind with a great deal of disfavour. As members of parliament our object should be to cut out all the unnecessary frills at the present time.

Mr. STEWART (Argenteuil): In reply to my hon. friend I would just say that this is a basis for all survey work. It is the charting of our shore line. Most of this work, as hon. gentlemen know, is done in the East, but I am not offering that as any special reason why it should be continued. I agree with my hon. friend that unnecessary expenditure should be cut to the bone; but all survey work of every character, whether it is

of a municipal or provincial character starts and hinges on these accurate points, and the very best engineers in the service are employed on this work. And indeed it is a most important one. If I had not inherited this work I could probably say to my hon. friend "Yes we can slash right and left." I think that in comparison with the cuts in the other votes I have not been backward. I have tried to cut the estimates of my department from one end to the other, sometimes in a very arbitrary way.

Mr. CALDWELL: Does the minister contend that there is a large part of our coast line in the Maritime provinces that is not yet charted? If so what benefit to the charting of a coast line would the construction of these towers made of fir poles be? These towers are erected on the top of bald hills from which you can see twenty miles in any direction. The erection of such towers is rather a joke to our people.

Mr. STEWART (Argenteuil): My hon. friend does not, perhaps, realize the full significance of the work done by these men. I confess that when I came into contact with it at first I did not know of its great value to the country. I am bound to say that I believe the work to be of a very considerable value. It results in the establishment of fixed and definite points from which you can hitch on all other surveys. If that is so, surely it is of very material benefit to the districts concerned, and surely the coast line work is of very considerable importance.

Mr. CALDWELL: Is there much of our eastern coast line that is not charted?

Mr. STEWART (Argenteuil): Yes, I am told fully 75 per cent of it is not charted fully and properly.

Mr. CALDWELL: That is a surprise to me.

Mr. STEWART (Argenteuil): I have to take the word of the engineer for this. In my opinion this is more important work perhaps than the money expended even on your agricultural education, valuable and all as it is. I have had some experience in my younger days in Ontario with difficulties over surveys and the cost entailed in lawsuits and litigation because definite and accurate points were not and could not be established. I am not going to argue that it should be carried on at this cost for all time to come. Perhaps it should and perhaps it should not but I am endeavouring to cut it down as fast as I can throughout the department. I have made a very large cut in all the surveys of the Department of the Interior, with the single exception of that of forest protection, and there is an increase there which I think I can justify.

Mr. CALDWELL: I think so, too.

Mr. THURSTON: For how many years has this survey been carried on?

Mr. STEWART (Argenteuil): It commenced in 1909.

Mr. MEIGHEN: The minister said that in the past in this branch whenever there had been a vacancy by death, resignation or removal it had not been filled.

Mr. STEWART (Argenteuil): In the past year.

Mr. MEIGHEN: He said he was cutting down in that way. Then he gave the figures showing that he spent all the money voted, which was the highest ever voted for this branch. How does he reconcile the two positions, unless there were no resignations, no deaths, and no removals?

Mr. STEWART (Argenteuil): The answer is that work was carried on for a greater length of time with the same body of men than had ever been done before. There was a longer season of work, but there was no increase in staff.

Mr. MEIGHEN: I did not allege there was, but there was no diminution because there could not have been a diminution when all the money was spent.

Mr. STEWART (Argenteuil): I can point to an anomaly in the case of the Interior department under the heading of civil government. To my astonishment, although we have cut off a very considerable amount, and in spite of the fact that we have some 25 less employees, we are going to ask for more money than ever this year. The statutory increases in a fairly large service amount to a very considerable sum. There was a reduction of sixteen at all events and yet I was faced with a larger expenditure.

Mr. MEIGHEN: And still the minister is a party to the order in council instructing the Civil Service Commission to revise salaries all upwards again.

Mr. STEWART (Argenteuil): No, if the hon. gentleman will look at the order in council closely, the instruction is not to revise them upwards or to revise them downwards.

Mr. MEIGHEN: What kind of revision is wanted?

Mr. STEWART (Argenteuil): The instruction of the order in council is to discontinue the bonus and to take into consideration the condition in which these civil servants now are and to revise the salaries accordingly. The bonus applies to those receiving up to $2,400 and not beyond.

Mr. MEIGHEN: The minister cannot escape in that way at all. That is not the way the order in council reads. The government take off a certain part of the bonus. Then, in response to the demand of the civil servants, they pass an order in council saying to the commission, "It is true we took the bonus off, but now you go to work and revise the salaries." They have to be revised either downwards or upwards. I do not know what a level revision would be, I am sure.

Mr. STEWART (Argenteuil): I do not suggest that.

Mr. MEIGHEN: Is the revision upwards? The minister complains he is helpless in his department because of the statutory increases. Then how does he explain being a party to the order in council?

Mr. STEWART (Argenteuil): I simply maintain that the order in council does not direct the Civil Service Commis-
9 p.m. sion to increase the salaries or decrease them. It is left to their judgment in the matter. There is no direction to the Civil Service Commission, but the request of the government is to discontinue the bonus.

Mr. MEIGHEN: The government does that. The Civil Service Commission has nothing to do with it. The government have discontinued the bonus, and they say to the Civil Service Commission, "Here, we throw the whole of the salaries right to you, and we tell you we have discontinued the bonus, and now we want you on that account to revise the salaries." Does the minister want to intimate to the committee that that is not a request to revise upwards?

Mr. STEWART (Argeneuil): No.

Mr. MEIGHEN: Why would the government base the request upon the withdrawal of the bonus if it were not to revise upwards? I am objecting to the minister saying "Here we are doing everything on earth to reduce expenses, but there are those statutory increases which we are not responsible for. We find them there and we have to abide by them. They are coming down on our heads like hammers." Then he proceeds and sends the statutory increases and the whole schedule to the Civil Service Commission, with implied instructions undoubtedly to revise upwards.

Mr. STEWART (Argenteuil): My hon. friend is stating a case which does not exist. There are no implied instructions. The order speaks for itself. It is before the House. The directions of the sub-committee are attached to it. They speak for themselves.

Mr. MEIGHEN: I have read them.

Mr. STEWART (Argenteuil): My right hon. friend will admit that there is no instruction given to the Civil Service Commission as to what they should do. I merely made a statement as to the condition of affairs as I found it. I am not saying who is responsible for it, but I say that is the case.

Mr. MEIGHEN: Why did the minister and his colleagues consider another revision now necessary. What is the reason?

Mr. STEWART (Argenteuil): The only reason is to get rid of the bonus which is a very vexatious thing.

Mr. MEIGHEN: The minister cannot put it in that way. The government can get rid of the bonus, they do not need to go to the Civil Service Commission for that, and they have done it as far as they intend to do it. Why was the matter of the revision put up to the Civil Service Commission? If the minister can give me any explanation that does not require an upward revision I would like to hear it.

Mr. STEWART (Argenteuil): My right hon. friend knows very well that the Civil Service Commission is the body who fix the remuneration as well as the classification. They are the ultimate body who make the recommendation.

Mr. MEIGHEN: No, no.

Mr. STEWART (Argenteuil): They recommend to the government and the government accepts the recommendation but they are the adjusting body.

Mr. MEIGHEN: The working body.

Mr. STEWART (Argenteuil): Whom else would it be referred to?

Mr. MEIGHEN: I am not saying it is not the right body, but I want to know why it was referred to anybody unless it was with the implied instructions to revise up. Can the minister give me any other object it could possibly have had, seeing it was based on the fact that the government had withdrawn a part of the bonus?

Mr. STEWART (Argenteuil): My right hon. friend is making the deduction.

Mr. MEIGHEN: What deduction?

Mr. STEWART (Argenteuil): The deduction that because the matter is referred to the Civil Service Commission, it means an upward revision. I do not agree to that at all.

Mr. MEIGHEN: What was the purpose?

Mr. STEWART (Argenteuil): The right hon. member may make that assertion if he likes.

Mr. MEIGHEN: What was the purpose?

Mr. STEWART (Argenteuil): The purpose was simply to make an adjustment.

Mr. MEIGHEN: Why was it necessary?

Mr. STEWART (Argenteuil): Having in mind the discontinuance of the bonus.

Mr. MEIGHEN: Hear, hear.

Mr. STEWART (Argenteuil): That is all, and there may be cases where the salaries will be revised downwards.

Mr. MEIGHEN: On account of the bonus being taken off.

Mr. STEWART (Argenteuil): I am not speaking of the bonus being taken off. That might happen. That is for the Civil Service Commission.

Mr. MEIGHEN: On account of the bonus being taken off, the government thought it would refer the matter to the Civil Service Commission, to see what revision downwards would take place.

Mr. BUREAU: Does my right hon. friend object to the revision of salaries?

Mr. MEIGHEN: I object to the ministers, including the one who is moving these estimates, complaining of the statute which compels an upward revision year by year.

Mr. BUREAU: That does not answer my question. I did not ask for a speech. I asked the right hon. gentleman: Does he object to the revision of salaries?

Mr. MEIGHEN: I want to know first what the revision is to be, up or down. The minister does not seem to know.

Mr. BUREAU: I am not going to define "revision" to my right hon. friend, but it is submitted to the commission.

Mr. MEIGHEN: The revision as understood by the minister, to which I object, is neither up nor down. It has no purpose.

[Mr. Meighen.]

Mr. BUREAU: It has a purpose.

Mr. MEIGHEN: What is it?

Mr. BUREAU: What does one revise the statutes for? What does one revise anything for? If my knowledge of the English language is not deficient, revision is in order to adjust. If there is anything wrong, you are going to make it right, if you can. That is my understanding of it.

Mr. MEIGHEN: What did the government think was wrong?

Mr. BUREAU: We do not say that we thought anything was wrong.

Mr. MEIGHEN: Oh, oh.

Mr. BUREAU: My right hon. friend need not sidestep. He wants to know why the revision. Is that what it was?

Mr. MEIGHEN: Why it was ordered.

Mr. BUREAU: Because the time had come to readjust those salaries. The salaries were not adjusted because during the war certain increases were granted and rightly so. I am not disputing them. Things are now getting normal. The civil servants are dissatisfied and they want revision. We want efficiency, and in order to get efficiency you must show those people that you are human; that you understand their wants. The proper tribunal to do that work was the Civil Service Commission and we referred it to that commission. Whether it will be necessary to raise or to decrease salaries, I do not know; that will be for the Civil Service Commission to say, but my right hon. friend can place any implication he likes on it. That however, has nothing to do with the fact that the matter was referred back to the Civil Service Commission.

Mr. MEIGHEN: I have been considerably assisted by the Minister of Customs and Excise (Mr. Bureau), and I am deeply grateful to him.

Mr. BUREAU: That is the first time my right hon. friend has been. I appreciate that.

Mr. MEIGHEN: The civil servants were dissatisfied, and the government being human and desiring to meet their wants, gave a revision. I will take that, with the statement of the Minister of the Interior, as sufficient warrant for the implication that the revision is a revision upwards.

Mr. STEWART (Argenteuil): I do not want the right hon. gentleman to put me in the position of saying that it is a revision upwards.

Mr. STEVENS: Inasmuch as, according to the minister's statement of a moment or two ago, the revision is limited to salaries under $2,000, then the minister and the government are limiting their revision up or revision down to the lower-paid services. An examination of salaries paid in this department, as shown in the estimates, indicates, for instance, that for 125 clerks, the total increase is only $2,000. These are the classes whose salaries are to be scrutinised, and scrutinised with care. On the other hand we have a long list of highly paid officials, with salaries running from $8,000 to about $3,000, all of whom are receiving annually an increase approximating very closely to the total increases of thirty or forty of the lower-paid classes. That is the criticism we have of these expenditures. That is why we are criticizing the minister's statement of a moment ago that he finds by reducing his staff by sixteen—and I have the figures here and I am merely using this because the minister introduced it into the discussion—an increase of a considerable sum. But these increases are in the higher-paid grades, and that is the point which we are criticizing. If there is to be a revision, or even a review of civil service salaries, why pick on the postman at $960 or less? I will give my hon. friend some at $937. Forty-four clerks between them get an increase of $600 and they are all low paid officials. They are the ones who are going to be subjected to a review or revision.

Mr. BUREAU: No, there is no limit.

Mr. STEVENS: I am just basing my argument on the statement made by the Minister of the Interior (Mr. Stewart) that this order in council is limited to salaries up to $2,000.

Mr. BUREAU: There is no limit.

Mr. STEWART (Argenteuil): My hon. friend will remember very well that when the bonuses were first instituted, they applied, I think, to salaries as high as $4,500. There is no one in the Civil Service who will be refused recognition before the commission, nor does the order in council say that the revision is confined to salaries which are now drawing a bonus, being those amounting to $2,400 and under.

Mr. STEVENS: Will the order in council take care of the legitimate excuse advanced by the minister a moment ago that the extra cost, in spite of curtailment, was due to statutory increases? Does the order in council empower the Civil Service Commission to correct that in any way or even to make recommendations that will correct it?

Mr. STEWART (Argenteuil): Speaking personally, I should be very glad if some suggestions were made for amendments to the Civil Service Act; but that act, as my hon. friend well knows, provides for regular and statutory increases up to certain maximums in certain classes. No portion of the Civil Service coming under the supervision of the Civil Service Commission will be denied the right to a hearing and scrutiny by the Civil Service Commission in regard to their class.

Mr. STEVENS: That right to a hearing would apply only to a revision upwards,—not to a revision downwards. I do not suppose the Civil Service Commission will be deluged with demands for reductions. That is scarcely, to use the minister's term of a moment ago, human; we would not expect that. All the courtesy extended by the government to the Civil Service is more or less of a joke. It really is not a serious matter at all.

Mr. BUREAU: The revision?

Mr. STEVENS: No, the courtesy extended to the Civil Service to apply to the commission for revision down.

Mr. LEADER: I have no objection to sufficient salaries being drawn; in fact, I wish we could all draw sufficient to keep us in luxury; but I object to anyone drawing two salaries and to men being overpaid. I should like to draw the minister's attention to a complaint made by the Auditor General in connection with the geodetic and astronomic surveys. This letter reads:

Audit Office, Ottawa, June 12, 1923.

Sir,—In February last, when a number of your officials employed in the Geodetic Survey and the Astronomical branches of your department had the date of their permanency dated back by the Civil Service Commission from April 1, 1921, to April 1, 1919, a paylist was submitted to this office for the adjustment of the arrears. In that paylist the following officials were shown to be still overpaid to the extent of the amount set after their names:

A. J. Brabazon, overpaid..	$27 50
W. M. Dennis, overpaid..	114 50
E. G. Gerard, overpaid..	7 35
T. C. Dennis, overpaid..	93 00
A. J. Rainboth, overpaid..	58 10
J. F. Dolan, overpaid..	33 07
Thos. Hackett, overpaid..	13 75

As these overpayments or any part of them do not appear as yet to have been recovered, I have to ask what action your department has taken or proposes to take with regard to the same.

I am, Sir, your obedient servant,

WM KEARNS, Asst. A.G.

What action has been taken in collecting these overpayments? Might I suggest that if

this should be more convenient for the minister, we might let this rest until he brings us the information regarding F. H. Peters. I repeat, Mr. Chairman, if it is more convenient we might wait for this information.

Mr. STEWART (Argenteuil): I will bring down the full information. This is the first time the matter has come to my notice.

Mr. MARTELL: Will the minister also bring down information regarding the number of increases that have taken place since December 6, 1921?

Mr. MEIGHEN: Increases?

Mr. MARTELL: Yes.

Mr. MEIGHEN: Without being statutory increases? Inasmuch as some hon. members may not understand the nature of the statutory increases, I would ask the minister to confirm my statement to the committee that the statutory increases are wholly within his discretion; that is to say, he can withhold them.

Mr. MARTELL: Have they ever been denied at any time?

Mr. MEIGHEN: Yes.

Mr. BUREAU: Without cause?

Mr. MEIGHEN: They are wholly within the discretion of the minister.

Mr. BUREAU: Not without cause.

Mr. MEIGHEN: Certainly not; they never are, under a good minister.

Mr. BUREAU: It is all right to say that this is wholly within the discretion of the minister, but he follows a certain well established policy. My right hon. friend does not mean to say that indiscriminately any statutory increase is refused without cause?

Mr. MEIGHEN: No, I do not say it has been. I say that if the minister or the government felt that owing to different conditions obtaining, either in the treasury or throughout the country—a reduction in the cost of living, for instance—he or they would have that power and would be justified—

Mr. BUREAU: I do not know.

Mr. MEIGHEN:—in denying any statutory increases.

Mr. BUREAU: He would have the power, but that he would be justified in exercising it

[Mr. Leader.]

I am not ready to admit, because the refusal of a statutory increase, as my right hon. friend well knows, is a kind of punishment imposed upon a man.

Mr. MEIGHEN: That has been the practice.

Mr. BUREAU: That is the policy which has always been followed. If we were to depart from it, my right hon. friend does not mean to say that we could invoke, for instance stringent times and say to a civil servant, "You shall not have your statutory increase." That was never understood by the civil servant when he came into the service, nor has it been the policy of the departments under any government. Surely if a civil servant knew that his statutory increase would depend on the whim of a minister he would hesitate to enter the service.

Mr. MEIGHEN: The minister's statement of the practice is perfectly correct. The practice has been to let the statutory increases go as a matter of course, unless there were individual reasons for any being withheld. It must also be said that in the past it has never been believed that any general cause existed that would justify the general withdrawal of statutory increases. I would not say that any such general cause exists to-day. I do not think it does; but I say that if the government felt it did, on either of the two grounds I mentioned—

Mr. BUREAU: "If".

Mr. MEIGHEN: —the government has ample power, and I know of no reason why it should not exercise such power.

Mr. BUREAU: If the sea were boiling the fish would be cooked.

Mr. McQUARRIE: Would the minister explain the compensation to John Hedin?

Mr. STEWART (Argenteuil): This man was injured on the Temiskaming and Northern Ontario railway.

John Hedin was a section man in the employ of the T. and N.O. Railway and was injured on October 17, 1921, in a collision between our precise levelling party's motor car and a section motor car on which Hedin was riding. It has not been brought out that the accident was either party's fault—it was apparently an unavoidable occurrence.

The railway referred the case to the Workmen's Compensation Board of Ontario in the regular manner and they awarded Hedin the sum of $994.40 for medical and hospital services and loss of time, together with a pension of $20 per month for life for permanent partial disability.

The Department of Justice ruled on July 6, 1923, that our department was not liable under the terms of the agreement with the T. and N. O. Railway covering the operation of motor cars for precise levelling purposes.

Mr. Lee, the chairman of the T. and N. O. Railway Commission, urged however, that this department should reimburse the commission for the full amount of the award on the grounds of moral responsibility, since the accident would not have happened but for the presence of our party on the line. He also intimated that no further geodetic operations along the railway would be permitted until an adjustment of the matter, satisfactory to them, has been made. In view of the moral responsibility which undoubtedly exists and of the hindrance which would be caused to geodetic operations by the railway's refusal to allow same on their property, it has been considered proper that payment of the claim be arranged on other than legal grounds.

So we are paying in all $1,564.40 as compensation.

Item agreed to.

International boundaries—Expenses connected with the survey and demarcation of international boundaries, $20,000.

Mr. LEWIS: Is this the minimum requirement for international boundaries? For the past two sessions the minister has stated that the item voted would be the last required except a small amount annually for repairs.

Mr. STEWART (Argenteuil) My hon. friend is quite correct in his statement, which I based on the information then before me. I am now informed that, in accordance with the treaty under which this work is carried on with the United States, our annual expenditure for keeping up the monuments will be in the neighbourhood of $20,000 a year. I have not investigated further on the point.

Mr. McQUARRIE: What are the details of this item?

Mr. LEWIS: Does the United States pay the same amount annually?

Mr. STEWART (Argenteuil): Yes.

Mr. CAMPBELL: Will this be a permanent expenditure?

Mr. STEWART (Argenteuil): Yes, approximating $20,000. The details of the item are as follows:

J. A. Pounder, Geodetic engineer	$2,520 00
G. T. Prinsep, Geodetic engineer	2,520 00
T. P. Reilly, Jr., Geodetic engineer	2,040 00
D. F. Chisholm, Jr. Geodetic engineer	2,040 00
J. N. Ingersoll, Jr., Geodetic engineer	2,040 00
Florence Swallow, Clerk typist	1,140 00
J. M. Dwyer, Clerk messenger	900 00

Those salaries total $13,200. Then we have:

Engraving and printing of maps and printing of reports, $5,000.

To provide for repairing and renewing monuments and reference marks on the Quebec-Maine and New Brunswick-Maine boundary lines, $800.

Mr. McQUARRIE: Why are maps necessary?

Mr. STEWART (Argenteuil): The maps are necessary to show the markings along the boundary line. Mr. McArthur, who is in charge of this work, has informed me that we have cut his appropriation to such an extent that he fears he will be unable to meet the expenditure required by the American members of the commission. But I have been told quite frequently that this was about the necessary amount, and I have placed it at that.

Mr. McQUARRIE: How much was spent last year?

Mr. STEWART (Argenteuil): $42,940.

Item agreed to.

Government of the Yukon Territory—

Salaries and expenses connected with the administration of the Territory	$ 65,000
Grant to Local Council	45,000
Grant for maintenance and construction of roads	70,000
	$180,000

Mr. BLACK (Yukon): Why is it that the third item in this vote has been reduced from $80,000 to $70,000? It is an appropriation that is absolutely necessary to the development of the country, yet it is reduced while the others are maintained at the same figure.

Mr. STEWART (Argenteuil): We made a very substantial increase in the road appropriations a year ago, I think, and my information was that that increase largely covered the necessities. Having in mind the Mayo camp and the necessity for maintenance of transportation facilities in that connection I did not feel like cutting the amount more seriously. If I remember correctly, prior to last year the appropriation was $50,000 and it was increased last year for the very purpose of giving access to this mining territory, which is not served by a railway. It is felt that $70,000 will provide the needed improvements and maintenance.

Mr. CALDWELL: Will the minister explain the second item, grant to local council?

Mr. STEWART (Argenteuil): That is to pay the running of the local legislature in the Yukon.

Mr. SPEAKMAN: What is the present population of the Yukon?

Mr. STEWART (Argenteuil): Between three and four thousand whites, with a considerable Indian population.

Mr. SHAW: What are the salaries included in the item of $65,000?

Mr. STEWART (Argenteuil): The details are as follows:

Amount required for salaries	$19,400
Amount required for living allowances	15,900
Insane patients: Expenses connected with transportation to and maintenance in the Insane Hospital, and Provincial Mental Hospital at New Westminster, B.C., also for maintenance in R.C.M.P. barracks at Dawson and Whitehorse	15,000
Travelling expenses of outside officials to and from Dawson and in the Territory	3,000
Printing and stationery	2,500
Expenses connected with the collection of export tax by Royal Canadian Mounted Police officers. They receive 50c per day while on that special duty	500
To pay commission of 10 per cent to the Royal Canadian Mounted Police officials on sums collected by them as mining recorders, mining inspectors, and Crown timber and land agents	750
Miscellaneous: freight and express charges, telegrams, telephones, postage and unforeseen expenses	7,950
Total	$65,000

Mr. SPEAKMAN: How many local councillors are there in the Yukon?

Mr. STEWART (Argenteuil): Three.

Mr. SPEAKMAN: Are the whole expenses of this council paid by the federal government?

Mr. BLACK (Yukon): The grant to the local council is for the expenditure made by the council. The local councillors are paid an indemnity of $400 each, and out of the grant they maintain hospitals, schools and the other necessary institutions of the country. Part of the $45,000 granted this year—and the same applies to other years—goes into road construction.

Mr. MEIGHEN: There used to be a council of twelve, but under an efficient administration it was reduced to three.

Mr. SPEAKMAN: And a diminishing population.

Mr. MEIGHEN: There were twelve councillors while the population was what it is now.

Mr. McQUARRIE: Is there any truth in the report which has lately been published in the press that this government has been making overtures to the government of British Columbia to take over the administration of the Yukon Territory?

[Mr. Speakman.]

Mr. STEWART (Argenteuil): I never heard of it.

Mr. BLACK (Yukon): I have noticed some reports in the press to that effect. The idea is not tenable at all. The Yukon is a federal territory and in no way would it be appropriate for its administration to be undertaken by the government of British Columbia. Whoever advocated the idea did so, I suppose, because the territory happens to be situated nearest to British Columbia, but it would be just as well administered by the government of Ontario or of Quebec as by the government of British Columbia. The idea is not a practical one and is not put forward by anyone who has practical ideas on the subject. In fact, the suggestion is only an evidence of the fact that the person making it knew nothing whatever of the subject.

Mr. SPEAKMAN: I asked my questions not because I have any objection to a population receiving necessary service simply because it is a sparse population scattered over a large country, but viewing all the other items that have been passed, the salaries and expenses in connection with it, the expenses of the council—and I am glad to have heard the explanation of how the expenditure is made up—the grant for roads, salaries for judicial administration, federal board, and all the other expenses that go with it, I was thinking that if this population continues to dwindle it is going to be expensive for us to maintain. But I am not opposing any such vote simply because the population is scanty. They are entitled to all the services that are necessary.

Mr. BLACK (Yukon): I would like to make it quite clear to the hon. member that my remarks were not directed towards his question, but towards the idea that the administration of the Yukon Territory should be undertaken by the government of British Columbia.

Item agreed to.

Government of the Northwest Territories—salaries and expenses in connection with the administration of the Territories, including the erection of buildings and investigation work, etc. Establishing and operating wireless stations, including buildings, etc. Administration N.W. Game Act, etc. Explorations—salaries and contingencies, alterations and repairs to ships, etc., including $1,000.00 to J. D. Craig as officer in charge of Arctic Expeditions 1924-1925. Compassionate allowance to the widow of the late Wilfrid Caron, who was drowned off "S.S. Arctic". Compassionate allowance to the mother of the late Desmond O'Connell, who was drowned off "S.S. Arctic", $378,000.

Mr. LEADER: I wish to call the attention of the committee to an item which appears in the Auditor General's report in

connection with this vote. I am sorry that we find items of this nature to criticize, but I believe it is my duty as a humble representative to bring this fact to the attention not only of the House but of the people of Canada, and I want to register my protest against it. It seems to me an illegal expenditure of public money. The item in the Auditor General's report is as follows:

1,000 Players cigarettes..	$17 35
500 7-20-4 cigars..	40 00
500 Benson and Hedges cigars..	75 00
	$132 35

Mr. STEWART (Argenteuil): These supplies were placed on the S. S. Arctic. We leave policemen up in the north country throughout the whole of a very long winter, during which they see no white men till the Arctic returns and relieves them with two other men. We have three posts up there on the eastern coast of Canada. As my hon. friend knows there are exploring parties in there continuously. Indeed, we found a professor representing the Danish government up there who had spent three years on the southern end of Melville island. It might be said that perhaps this territory is not worth holding, but so far we have discovered very valuable deposits of coal up there, there may also be minerals and we thought it well to spend some money to maintain our sovereignty over that particular area. I thought I had a map here showing the posts. At all events, we have three posts up there, one at Pond's Inlet and two others, and we hope to establish two more on the eastern coast of Canada to look after the preservation of the game and enforce law and order among the native tribes to be found up there. These men, two in a company, remain up there during the whole winter season, and can only be visited during a very short time in the midsummer months. A ship will have to be sent there annually for that purpose. Last year, when this vote was under consideration, a judicial party had gone up in that country as far as Cumberland gulf to try a murderer. We had also to send a judicial party to the mouth of the Mackenzie river, to Aklavik, for the very same purpose, and we will have to send another party there this year. This may seem a considerable expenditure, but these are the outposts of civilization, they are expensive to reach, and can be reached only during a very limited time.

Mr LEADER: I presume the judicial party are drawing their salaries to maintain them?

Mr. STEWART (Argenteuil): Yes.

Mr. LEADER: Then why furnish them with these cigars and cigarettes? Let them buy their own. It is the already overburdened taxpayers of Canada who have to foot the bill. This is a small item, but there is a principle involved, and it runs all the way through. I think we cannot condemn it too strongly.

Mr. STEWART (Argenteuil): My hon. friend will remember that we are sending up there an official party representing the government of Canada. They meet other parties, representatives of foreign countries, and I do not think in view of the circumstances we have been over-extravagant in putting a few packages of cigarettes and some tobacco on board the ship for that purpose, but if we have I will see that it does not go this year.

Mr. GOULD: Why not send men there who do not smoke?

Mr. STEWART (Argenteuil): The smokers buy their own tobacco.

Mr. LEADER: Will the minister say that this is a justifiable expenditure?

Mr. STEWART (Argenteuil): Frankly, I have never heard of it before. I did not know they took these things, but I would not object to a reasonable amount of tobacco going with a party of that kind, officially representing the Canadian government as they do.

Mr. LEADER: The minister thinks that is in the interests of economy?

Mr. PARENT: If the cigarettes are good.

Mr. LEWIS: Is there any hope of any people ever living up there, or is there any possibility of ever digging out the coal or any mineral wealth that may be up there? I would not deny these men the pleasure of having a few cigars and cigarettes if they are meeting people in a friendly way, but is this expenditure to be continued year in and year out?

Mr. STEWART (Argenteuil): I think it is wise for us to exercise some oversight over the Canadian tribes, because as my hon. friend knows, if you do not protect them, the traders, who are not particularly anxious about the welfare of the native Eskimo, get in amongst them and debauch them, carry in liquor and exercise an evil influence among the tribes, and then the responsibility is ours. The Eskimo problem is beginning to be a rather serious one for us to handle, and we are establishing police posts at various points along the coast to protect the Eskimo and preserve their game.

Mr. LEWIS: My observation is that instead of protecting the Eskimo we seem to be protecting the traders, or those who go in there. We try to enforce law and order among the Eskimos, who have never been trained along that line, and when they come into contact with the law they pay the extreme penalty whereas with their grey matter and mental development they are perhaps not able to appreciate justice in the same way that we do.

Mr. STEWART (Argenteuil): I had the pleasure of chatting with a trader who all last winter had been at Aklavik, where a police post has been established for some time, and he told me that they carried on pretty much as people do on the outside, although it was dark all the time. They have gramophones, and some of the natives who have come in contact with civilization have their own fishing boats and they generally, according to his report, have a rather jolly time. I believe, and I think it is freely admitted, that the Eskimo lends himself much more rapidly to civilizing influences than do the tribes of Indians to be found north of the Great Slave lake and along the Mackenzie river.

Mr. LEWIS: This work will be continued year in and year out?

Mr. STEWART (Argenteuil): Yes. That is to say the ship will have to visit these coasts. But we have been building houses, carrying in supplies and getting established. That work will not need to be done again.

Mr. LUCAS: The second item for establishing and operating wireless stations, including the erection of buildings and investigation work, and so forth, shows an increase of $55,000.

Mr. STEWART (Argenteuil): Last year we established two wireless stations, one at Dawson and the other at Mayo in the Yukon. This brought about I think, a very considerable saving, particularly in the upkeep of lines and poles. This year we are establishing other wireless stations in the territories. We shall put in a central distributing station—I think that is decided now—to be located at Edmonton. We shall put in a station at Fort Vermilion, another at Fort Smith, and thus have a means of wireless commuiciation down the McPherson, eventually establishing a complete chain of communication with the far northern posts—with the posts along the Mackenzie river and with Mayo and Dawson, the chief distributing centre being Edmonton. So that throughout the whole of the north country, during the whole period of nine months in which it is shut up by the rigorous winter, the people will have some communication with the outside world.

[Mr. C. A. Stewart.]

Mr. LEWIS: Will this item include all the stations in the Northwest?

Mr. STEWART (Argenteuil): This includes Edmonton.

Mr. LEWIS: Does it include the whole of the stations?

Mr. STEWART (Argenteuil): Yes.

Mr. STEVENS: There is an item in this vote for pensions?

Mr. STEWART (Argenteuil): I know to what my hon. friend refers. When the Arctic was descending the St. Lawrence, after she left Quebec, she ran into a severe storm, and two of the seamen were drowned. There is a vote to provide an allowance for the widow and the relatives of the two men who were drowned on that occasion.

Mr. McQUARRIE: Will the minister explain what is the situation with respect to Wrangel island?

Mr. STEWART (Argenteuil): There is not very much to explain. We have had a great deal of discussion with Mr. Stefansson with respect to Wrangel island. I cannot recollect just at what period this government informed him that they were not interested in Wrangel island as it lay off the coast of Siberia. But we had received information in a roundabout way that the British Admiralty might be interested in Wrangel island as a flying base. The reports were that British aviators might fly across the northern portion of Canada and on to the Orient. Stefansson went to England and interviewed the authorities there, but apparently the English government is not willing to set up any particular claim to Wrangel island, at least I have not heard that such is their intention. I do not know officially what they propose doing, but so far as Canada is concerned we do not intend to set up any claim to the island.

Mr. McQUARRIE: Has the government made any investigation with respect to the death of the men who were left on the island?

Mr. STEWART (Argenteuil): No, we were not responsible for the expedition in any way.

Mr. STEVENS: This item makes provision for exploration does it not? Does that include the steamer Arctic?

Mr. STEWART (Argenteuil): Yes.

Mr. STEVENS: Would the minister state just what the Arctic cost last year and what work was performed?

Mr. STEWART (Argenteuil): She went on an expedition from Quebec into the Arctic circle taking a judicial party with her for the purpose of trying an Eskimo at Cumberland gulf, I think, and then on up to try to establish a post at Etah which would be the most northerly post that we have, or just opposite Etah on Melville island. However, the ice conditions did not permit her to land the material for this post and she was forced to return to the post established a year ago on the south of the island. She relieved the post there, visited the post at Pond's Inlet, then returned and picked up the judicial party and came back to Quebec.

Mr. STEVENS: Would the minister give me the total figures with respect to the Arctic?

Mr. STEWART (Argenteuil): Sixty thousand dollars.

Mr. STEVENS: That is the total cost of the Arctic last year? Does that include all these items for repairs? I see a long list.

Mr. STEWART (Argenteuil): Yes it includes the whole of the expenditure in connection with the Arctic. My hon. friend will remember that last year we purchased a ship from the British Admiralty but it was single plating and it has to be double plating.

Mr. STEVENS: It has to have a double bottom?

Mr. STEWART (Argenteuil): Yes a double bottom. The Arctic is an old ship, a very slow sailer, and very expensive to send into that territory. But she will carry more supplies that the newer and faster vessel that we intend to put on this service, and we will have her in commission next year when we hope to cheapen the cost of fitting out these northern posts very materially.

Mr. FORKE: I should like to ask the minister if Stefansson was in the employ of the Canadian government last year in any way?

Mr. STEWART (Argenteuil): No. He was granted a small amount to pay his expenses to England. That is all the connection we had with Stefansson.

Mr. LEWIS: Would the minister tell us at what time this expedition started from Quebec, and the probable date when it reached or tried to reach Melville island? I wanted to know what the ice conditions were so that I could understand the nature of the navigation in Hudson straits.

Mr. STEWART (Argenteuil): I think I mentioned previously that she called at a port in Greenland.

Mr. LEWIS: At about what time?

Mr. STEWART (Argenteuil): If I remember rightly about the middle of July, I think about the 15th, of that month. She returned —I am not exactly sure of the date—about the last week in September.

Mr. LEWIS: During that period she was not able to reach the island on account of ice conditions?

Mr. STEWART (Argenteuil): I have a very clear map here. If my hon. friend is interested in it we will be able to show what happened. She attempted to reach the most northerly point we contemplated for a post but she was shut out by the ice. I hope my hon. friend is not thinking about the entrance to Hudson bay because that is many hundreds of miles south.

Mr. SHAW: I should like to ask the minister if any other government, besides the Canadian government, have established posts on any of these northern island contiguous to Canada?

Mr. STEWART (Argenteuil): Yes.

Mr. SHAW: And if they are making a claim to sovereignty of any of these islands?

Mr. STEWART (Argenteuil): Of course my hon. friend is aware that international law, in a vague sort of way, creates ownership of unclaimed lands within one hundred miles of any coast, even if possession has not been taken. At least there is a sort of unwritten law in that respect. Of course possession is a very large part of international law as well as any other law. But in this particular vicinity, at about the most northerly post we have established at the moment, in north of these islands, a Danish professor has been located for the past three years making investigations—not in any way, I imagine, attempting to establish sovereignty over these particular lands, or anything of that sort, but purely for scientific purposes. and that is the vicinity in which we found coal. In former days coal has been placed upon ships from that district, and it is not uncommon for whalers to be found there every year. That water is filled by ships from many parts of the world on whaling expeditions and trading expeditions as well; so that it is somewhat important that we should be established there.

Mr. LEADER: In the Auditor General's report, page K-240 I find the following letter:

Sir,—On August 22, 1922, cheque No. 3593 was issued against your appropriation for Northwest Territories, Explorations, in favour of V. Stefansson for the amount of $3,000. This cheque was issued under the authority of an order in council of August 21st, 1922 (P.C. 1735) which authorizes "that the sum of $3,000 be advanced to Vilhjalmur Stefansson to assist in providing for the relief of the four men who were left on Wrangel island".

As this payment was made as an advance to Mr. Stefansson, I infer that it was the intention of Council that he should render a statement of his expenditure of the same. No accounts covering this advance have, however, been received in this office, and I understand that no accounts have been received in your department. Kindly take steps to obtain a statement from Mr. Stefansson showing how this money was expended.

That is signed by the Assistant Auditor General, and I would like the minister to explain the details in regard to this advance.

Mr. LEWIS: While the deputy is looking up that information, perhaps the minister would answer me a question. He mentioned the fact that whaling vessels entered into that vicinity where we have outposts. How long were they in that vicinity in the summer time? Has the minister any record at all?

Mr. STEWART (Argenteuil): Nothing but Captain Bernier's reports in which he states that he does not like to stay in these northern waters longer than thirty days at the most.

I may say for the information of my hon. friend from Portage la Prairie (Mr. Leader), that in 1922 there was an advance of $3,000 to Mr. Stefansson of the Exploration Company and we now have the certified vouchers returned, but they are not in the Auditor General's report which is to hand.

Mr. LEADER: Everything is in order?

Mr. STEWART (Argenteuil): So I am informed.

Mr. McQUARRIE: Would the minister correct the answer in which he stated the government was not interested in the Stefansson expedition at all?

Mr. STEWART (Argenteuil): This was before I had anything to do with Mr. Stefansson personally. I did not know this had been done in 1922. I do know of the advance last year.

Mr. McQUARRIE: How much was paid last year?

Mr. STEWART (Argenteuil): Seven hundred dollars.

[Mr. C. A. Stewart.]

Mr. McQUARRIE: The other matter was without the minister's knowledge, as I understand?

Mr. STEWART (Argenteuil): It so happened that I was not discussing Stefansson in those days. Later on I did have all to do with him, but not at that particular time. I just happened not to know of this. I may have been present at the council meeting—I would not say I was not—but the matter had entirely slipped my mind.

Mr. McQUARRIE: Why should the government pay any money if it was not interested in any way in the expedition?

Mr. STEWART (Argenteuil): I will have to get that information. I know that Stefansson makes no claim on Canada, because he was here the other day endeavouring to interest the Canadian government in this matter. I spent an hour with him. This expedition was on his own account, organized by his own company.

Mr. McQUARRIE: I cannot understand why we should pay any money at all. It seems to me a strange thing.

Mr. STEWART (Argenteuil): I will be very glad to get the whole explanation but I imagine what happened was that he came here and pleaded very earnestly for assistance to man a relief expedition in 1922. I would not like to say I was not present, but if I was present, I have no recollection of this particular meeting. But I knew all about what happened last summer because it was felt last year that the Admiralty might be interested in this matter. We did not know, but we were willing to contribute something for him to go and place the matter before the Admiralty.

Mr. McQUARRIE: Did the minister not take any part in the controversy between Mr. Stefansson and members of his party about which we saw so much in the press?

Mr. STEWART (Argenteuil): No.

Mr. McQUARRIE: Can the minister give us any information as to the venture which was made by Mr. Stefansson in connection with reindeer? I think a lease was granted by the government to Mr. Stefansson, or to a company formed by him, and Mr. Stefansson proposed to raise reindeer in the north.

The CHAIRMAN. That matter hardly comes under this vote at the present time.

Mr. STEWART (Argenteuil): I know that we heard of reindeer down at Gaspé.

Mr. McQUARRIE: No, this is a different matter.

Mr. STEWART (Argenteuil): I have no recollection of it.

Mr. McQUARRIE: Does the minister say he does not know anything about it?

Mr. STEWART (Argenteuil): I have no recollection of it.

Mr. STEVENS: Did not his Superintendent of Parks, and some other officials of the government, together with Mr. Stefansson, form a commission on which about $30,000 was spent, if I recall it correctly, to investigate the value of cariboo and reindeer raising and breeding in the Northwest territories?

Mr. STEWART (Argenteuil): I do not know anything about this. I did know of a herd down in Gaspé.

Mr. McQUARRIE: No, this is up in the north.

Mr. STEWART (Argenteuil): That is the only one I know of.

Mr. MEIGHEN: The hon. gentleman is right, except for the amount of money. It was an investigating commission that was very economical. It was appointed while I was Minister of the Interior, and was composed of Dr. Rutherford, Mr. J. S. McLean, Mr. Harkin and Mr. Stefansson, who I think retired, or at least took more part as a witness than as a member of the commission. Dr. Rutherford wrote the report. It was an investigation into the value of northern lands and the practicability of reindeer and muskox raising there; and if the mention of the subject has no better purpose than to induce some members to read that report, I am sure no one will read it without freely acknowledging that the report is worth more than the money spent. It is one of the finest tributes to Dr. Rutherford's ability that I think now exists.

Mr. LEWIS: Will the minister tell us why the discrimination or the difference in the compassionate allowance to the mother and to the widow? There may have been children. I never did like this word "compassionate." I never found a government admit any liability where there is any death. I have reference to a death which occurred on the Swift Current agricultural farm. When anything was given out, it was a "compassionate" allowance. If anything happens under anybody else's jurisdiction, it is not a "compassionate" allowance; the verdict is rendered by justice, or justice is satisfied. I should like to know why the difference between these two and why we use the word "compassionate" in this case.

Mr. STEWART (Argenteuil): In one case there was a young widow and family of small children. The other was the case of a young man who was only partially contributing to the support of his mother.

Mr. LEWIS: If $3,500 is the value the minister places on a man's life as a compassionate allowance for the widow of an arctic explorer, that is a very small sum. I should not like it if my wife was left with only $3,500 to live on. There is such a thing as economy, but there is also such a thing as justice.

Mr. McQUARRIE: Can the minister give us any further information as to the lease which was granted to Mr. Stefansson and his associates of the southern part of Baffin's land, I think it was?

Mr. STEWART (Argenteuil): There is a lease of the southern end of Baffin's land. I am informed that Stefansson is not particularly interested in it now, and that he has turned it over to the Hudson's Bay Company. They are carrying on, I do not know with what particular success.

Mr. MEIGHEN: Is the government not getting the rent? That was one of the results that flowed from the investigation. A company undertook to utilise the south half of Baffin's land; the lease went through to Mr. Stefansson, but it was transferred by him to the Hudson's Bay Company who introduced a large number of deer into that area. Quite a substantial rental was provided for, which was to come to the Interior department. I hope the minister has not forgotten all about that. There is no reason that I know of why the Hudson's Bay Company should not pay its debts.

Mr. STEWART (Argenteuil): I am informed that the rental was not to begin in the earlier years of the experiment, and during the first winter 700 deer were placed in that area and one-half of them perished.

Mr. MEIGHEN: I believe they did not get experienced men to take care of them, but as I understand the matter, they have overcome that difficulty. I know the rental was on an ascending basis, and I am inclined to think it started earlier in the period of the

lease. I would not like to think all these good things that we started are being forgotten now.

Mr. STEWART (Argenteuil): I will make inquiries. I confess I had not heard of the lease. I knew of the reindeer in that vicinity; I had heard reports of them from time to time, but I did not know that our friend Stefansson had so many ventures in hand in connection with reindeer.

Mr. MEIGHEN: He just turned it over to the Hudson's Bay Company.

Mr. STEWART (Argenteuil): I will make inquiries and get a report on it.

Mr. BLACK (Yukon): How much of this first item of $114,000 will be expended in Ottawa?

Mr. STEWART (Argenteuil): Printing and stationery, $5,500 and salaries, $16,965.

Mr. CALDWELL: What buildings is it proposed to erect and where are they to be erected?

Mr. STEWART (Argenteuil): We have to establish buildings at Fort Smith and Fort Norman. That is where we propose making headquarters at the moment.

Mr. CALDWELL: That is for administration purposes.

Mr. STEWART (Argenteuil): Yes.

Mr. CALDWELL: Then the next item:

Establishing and operating wireless stations, including buildings.

What are those?

Mr. STEWART (Argenteuil): I explained that. That is to establish stations down the Mackenzie with a chief distributing station at Edmonton. The increase of $55,000 is due to the establishment and operating of a station, including buildings, at Herschel island, and for capital cost for a station at Fort Smith for operation in 1925. The cost of operating wireless stations at Dawson, Mayo, McMurray and Simpson is estimated at $74,000. It covers the two stations in the Yukon and the construction of one at Herschel and one at Fort Smith, with a complete establishment.

Mr. BLACK (Yukon): What are the offices to which the salaries of $16,965 are paid in Ottawa and what are the amounts paid to each?

[Mr. Meighen.]

Mr. STEWART (Argenteuil): They are as follows:

1 Assistant engineer	$2,100
1 Sr. engineering clerk	1,680
2 Senior clerks	2,760
1 Account clerk	1,260
1 Engrosser	1,080
3 Clerk stenographers, at $960	2,880
1 Messenger clerk	1,200
1 Office boy	405

Then we have the salaries of the inspectors in the North:

C. C. Ross, Senior mining inspection	$3,240 00
Vacant, Petroleum engineer	2,880 00
R. J. Lee, Mining inspector	2,400 00
F. M. Steel, Mining engineer	2,280 00
C. W. Dingman, Petroleum and natural gas inspector	2,250 00
Miss E. G. Kay, Clerk stenographer	1,125 00
Total	$14,175 00

Mr. Finnie is in charge of all this work, and for that reason the Calgary office comes under this particular vote.

Item agreed to .

Dominion Lands and Parks, $3,814,634.55.

The CHAIRMAN: Is it the pleasure of the Committee that this vote be taken item by item?

Some hon. MEMBERS: Yes.

Salaries of the Dominion Lands, outside service, $506,380.

Mr. McQUARRIE: How is the decrease of $55,000 made up?

Mr. STEWART (Argenteuil): It comes about very largely by the reorganization of the western land service. We closed the offices in Saskatoon, Battleford and Swift Current, concentrating the work at Moose Jaw and Prince Albert. We have not entirely closed the first three offices; we have left a clerk in charge of each. We have also very considerably reduced the staff in the Winnipeg office. The reorganization is not yet completed in the head office here. We are trying to combine all the work of the Land department under one head. The removal of the immigration staff from the Norlite building will enable us to concentrate all our land activities there, which will effect a considerable saving. We have reduced the staff in the western service by forty-eight.

Mr. STEVENS: Is this a real reduction, or are those forty-eight merely transferred to some other department?

Mr. STEWART (Argenteuil): No, we have actually decreased the staff to that extent.

Mr. LEWIS: I did not know that this item was coming up to-night. I observe that the Swift Current office is among those closed. I have not the figures with me, but I understand that the revenue which would naturally come to Swift Current was even greater than the Moose Jaw revenue. It does seem to me that in administering Dominion lands it is of primary importance to give service to the farmers and other people in the vicinity of the office. It is very inconvenient for the people around Swift Current to have to travel to Moose Jaw to transact their business, especially as the revenue from the Swift Current office was equal to, if not greater than, the revenue accruing to the Moose Jaw office, which would indicate that a large number of people in the neighbourhood of Swift Current will be put to extra expense. It seems to me to be neither economical nor opportune to close the Swift Current office.

Mr. STEWART (Argenteuil): My hon. friend will remember that when a similar item was under discussion last session strong exception was taken, particularly to the homestead inspectors. One hon. member from Saskatchewan suggested that two and a half inspectors could do all the work.

Mr. BUREAU: Especially the half.

Mr. STEWART (Argenteuil): On that basis I have been trying to economize as much as possible, but I have discovered that two inspectors cannot do the work. It is not our intention to completely close the three offices referred to; that is, any individual desirous of doing business will not have to travel any greater distance except in cases of leasing, as practically all the other work will be continued in those offices. Of course, complete records will be kept only at Moose Jaw and Prince Albert, so that transfers will have to be made at those centres. We will try to make the change operate as little as possible to the inconvenience of people living in the neighbourhood of Swift Current, Saskatoon and Battleford.

Mr. SPENCER: Are many homesteads being taken up now? Would it not be possible to drop this line of work and encourage the settlement of lands near the railways?

Mr. STEWART (Argenteuil): I fear that would be an impossibility. As long as free land is available, if you do not allow settlers to homestead they will squat on the land, and then you have difficulty in getting matters adjusted. In one little district just west of Wetaskiwin, Alberta, 190 homesteads were filed the year before last.

Mr. LEWIS: Has the minister figures showing the revenue and expenditure for Swift Current and the other offices?

Mr. STEWART (Argenteuil): Not in detail.

Item agreed to.

Dominion Lands Contingencies etc., $210,000.

Mr. McQUARRIE: Will the minister furnish details?

Mr. LEWIS: Perhaps the minister will explain this item.

Mr. STEWART (Argenteuil): These are the details:

Expenses of 26 homestead appraisers, including purchase, renewals and repairs of travelling outfits, etc..	$58,000
Expenses of 13 timber inspectors, including as in the above item, purchase, renewals and repairs of travelling outfits, etc..	17,000
Expenses of 3 inspectors of ranches..	6,000
Expenses of 13 Dominion land and Crown timber agencies and of the offices of the inspectors of Dominion lands and Crown timber agencies. These expenses consist in the payment of telegrams, telephones, commission and postage to sub-agents, clerical assistance of a temporary nature only, janitor service, etc..	37,000
Travelling expenses of outside officials when away on government business, including superintendent of western land agencies, assistant land agency inspectors, travelling auditor, etc..	24,000
Printing and stationery. This item is to cover the cost of printed forms used in transacting public business, the purchase and repairs of typewriters and for all stationery required in the Dominion land offices and sub-land offices..	48,000
Advertising re sale of timber berths; also to cover accounts in connection with lands open for entry, etc..	9,000
Miscellaneous:—freight and express charges, telegrams, etc., paid at Ottawa, and for unforeseen expenses during 1924-1925..	11,000
	$210,000

Mr. McTAGGART: What does the department intend to do with those lands which have been withdrawn from entry, those in what is known as the blacklisted area in southern Saskatchewan and Alberta?

Mr. STEWART (Argenteuil): There has been some difficulty in that connection; there is great difference of opinion on the subject. I have had no less than three inspections made in certain localities and I find that opinion is divided on the question whether an entrant could make a livelihood on those lands. We have largely discouraged homesteading on them, believing that it would be in the best interests of settlers to engage in ranching rather than in intensive agriculture. However, in certain parts of the dry or arid area settlers

have been successful in agricultural pursuits. The whole matter is pending a definite decision as to just what portion, if any, of those lands may be recommended for settlement.

Mr. LEWIS: Did anyone take advantage of the provision made last year whereby the settler might remove to other lands?

Mr. STEWART (Argenteuil): Yes, there has been some considerable movement. That has been under the control of the Saskatchewan government, we contributing in some cases part of the cost of removal.

Mr. LEWIS: Do the lands thus vacated revert back to the Crown?

Mr. STEWART (Argenteuil): It is a little difficult to say. In some cases they are under mortgage; in that event they would not revert back to the Crown, and the best disposition is made of the land to clear up the indebtedness. In case where homesteads have not been patented the lands revert to the Crown.

Mr. LEWIS: The fact that a man has a mortgage on his place does not prevent him from taking advantage of the offer?

Mr. STEWART (Argenteuil): No.

Mr. STEVENS: Is any part of this $210,000 spent in connection with the Ottawa staff?

Mr. STEWART (Argenteuil): No.

Mr. STEVENS: What was the revenue received last year from the disposition of these lands?

Mr. STEWART (Argenteuil): The total Dominion lands receipts in 1922-23, were $2,347,715.43, and in 1923-24, April 1 to February 29, $2,103,119.16. There are some returns still to come in.

Mr. McQUARRIE: How much was spent last year?

Mr. STEWART (Argenteuil): Salaries, outside service, and contingencies, some $559,000.

Mr. STEVENS: That is not the vote we are talking about. As I understand it, we are dealing with each item as we go along. The Chairman called the first item, $506,000; that was passed, and some time ago he called the $210,000. How much was spent under that same item last year?

Mr. STEWART (Argenteuil): It will be approximately $210,000.

[Mr. C. A. Stewart.]

Mr. McQUARRIE: I understood the minister to say that there was to be an amalgamation of the Dominion lands and Crown timber agencies all over the Dominion.

Mr. STEWART (Argenteuil): In some cases, yes. For example, at New Westminster we will have an amalgamation of the two offices. It has not yet been completed there.

Mr. McQUARRIE: What is contemplated there? How is the staff to be dealt with?

Mr. STEWART (Argenteuil): There are two men there, Walmsley and Cowell. One of them will have to be removed. It is not the intention to keep two men there.

Mr. McQUARRIE: Who will be moved?

Mr. STEWART (Argenteuil): That has not been decided definitely.

Mr. McQUARRIE: I am not asking for any secrets to be divulged. In reference to the former crown timber agent, E. W. Beckett, does the minister know how he came to be removed?

Mr. STEWART (Argenteuil): Is he at Kamloops?

Mr. McQUARRIE: No, he was at New Westminster before Walmsley. The reason that has been given to me was because he was a good Conservative.

Mr. STEWART (Argenteuil): I do not happen to know about that.

Mr. McQUARRIE: Is there any other reason why Mr. Beckett should be summarily discharged?

Mr. STEWART (Argenteuil): When was he discharged?

Mr. McQUARRIE: Since this government came into office, just before Walmsley was appointed; it was in the last couple of years.

Mr. STEWART (Argenteuil): Mr. Beckett appears to have been retired under the Calder Act, on April 1, 1922.

Mr. McQUARRIE: You have not got the details?

Mr. STEWART (Argenteuil): He was given $400 and an annuity of $393.

Mr. McQUARRIE: When the amalgamation takes place in New Westminster, what will be the arrangement of the staff? I am not asking as to the personnel, but how many will be retained in the office and how will the office be conducted?

Mr. STEWART (Argenteuil): I cannot say at the moment. There will be one chief in charge of the office, and only the necessary staff to carry on the work.

Mr. McQUARRIE: The minister cannot say how many others besides one of these chiefs will be dismissed?

Mr. STEWART (Argenteuil): No, nor do I say either one of them will be dismissed. They are both very valuable men, so far as I know.

Mr. McQUARRIE: Has there not been a very marked increase in the business done in those offices, particularly in the timber office?

Mr. STEWART (Argenteuil): I think that is correct. There has been a flurry in timber within the last six months.

Mr. McQUARRIE: There has been a very remarkable growth in the timber business. Could the minister tell us the amount of revenue received from the timber office and the land office in New Westminster during the last two years, giving the figures for each year separately?

Mr. McTAGGART: What is the intention of the department in regard to arrears of payment on pre-emptions in purchasing homesteads? I believe the amount outstanding stands now at approximately $12,000,000. Does the department intend to enforce collection or is it considering the advisability of cancelling these obligations?

Mr. STEWART (Argenteuil): The department has not considered the advisability of cancelling these obligations, but the department will certainly not press people unduly for payment. There are hundreds of people who have paid up in full, and my hon. friend will readily see that it would be most unfair to them to give special consideration to those who have not paid. This work entails very considerable amount of correspondence, notices are sent out and records kept of all this business, whether we get a considerable revenue or not. I can say, however, that there is no intention on the part of the department to unduly press anyone for payment of his obligation.

Mr. McTAGGART: There is a considerable difference between the pre-emption which has been paid for, and the one where the obligation remains undischarged at the present time. In the main the pre-emption which has been paid for was the better class of land. There are many types of land in that area, and it is in the poorer area where these pre-emptions are not paid for. I would ask the minister to give serious consideration to the suggestion that the obligations on these lands be cancelled. The lands which are paid for are in the main the better class of land, and I am satisfied that many of the settlers on the poorer class of land will be unable to pay for them unless we have a pronounced period of prosperity, which does not seem likely in the near future. I would therefore urge upon the minister the advisability of cancelling at least the interest charges on these pre-emptions remaining unpaid at the present time.

Mr. GARDINER: I would call the minister's attention to the fact that in those areas where pre-emptions still remain unpaid for, you can buy land patented for much less money than what the department is charging for these pre-emptions, and it seems ridiculous to expect these people who have taken these pre-emptions to pay for their homesteads when they can buy land already under improvement for less money than the department is charging. I submit that the least the minister can do is to wipe out the interest charges against these lands and start afresh again, and I hope he will give that suggestion his serious consideration. Otherwise he will have on his hands much land that he will be able to rent for only two cents an acre for grazing purposes, and that will not bring in the revenue you could get otherwise.

Mr. STEWART (Argenteuil): Answering the hon. member for New Westminster: For the fiscal year 1922-1923 the revenue collected at New Westminster was $34,041.16; Revelstoke, $47,140.07; Kamloops, $43,128.83.

Mr. McQUARRIE: That is for both timber and land offices?

Mr. STEWART (Argenteuil): We do not appear to have the complete figures. We have a report on Revelstoke and Kamloops, but not on New Westminster. I will be very glad to get a full report giving the information which my hon. friend desires and the exact amount.

Mr. McQUARRIE: That is for the last two years, giving each year separately. I should like to get the expenses of these two officers in New Westminster, the land and the timber office, for these same years.

Mr. STEWART (Argenteuil): I will be very glad to bring the information down at the next sitting

Mr. KNOX: There are in the West large blocks of land that have been set aside as forest reserves. This setting aside was done some years ago and since that time—in some cases owing to fire, and in other cases mainly through the action of the lumbermen—the areas contained in these reserves have been largely cleared of timber and are very suitable at the present time for agriculture. Many of these areas are situated close to the railway line and a number of requests are coming through—I have received a great many such requests at one time or another—from people who want to enter homesteads on these areas, but owing to the fact that they have been set aside as forest reserves these persons are not allowed to make entry. Only a short time ago I received a petition to be forwarded to the Minister of the Interior, signed by over two hundred men who wanted to enter homesteads on the forest reserves. I have forwarded this petition to the minister, and I should like to ask him now if any action is being taken to have these reserves opened up for homesteaders?

Mr. STEWART (Argenteuil): Let me first say to my hon. friends, lest I forget it, that I can assure them of a very sympathetic consideration, but I think they will appreciate the difficulty the department is faced with in dealing with this problem. It may later on result in having a revaluation made, or some consideration being given to interest charges, before we clear this matter up, but I should like it to be borne in mind that we have the same difficulty to-day that we have in connection with the Soldier Settlement Board. Although some men have paid others have not paid. True, some of them are on inferior land and that fact perhaps might be given consideration. However, I can promise my hon. friends that I am prepared to give those men who have pre-emption and have heavy payments accrued against them very generous consideration.

With respect to the matter of returning to settlement lands set aside for forest reserve, here again you have a somewhat difficult question. If you allow settlement to get close to the vicinity of forest areas, where it is hoped to propagate and continue forest growth, you at once establish a somewhat dangerous menace to the forest itself. However, I am convinced that there is any quantity of inferior lands upon which timber can be grown and propagated without retaining any very considerable area of good agricultural land within the forest reserve. Wherever cases of this kind come up we conduct an investigation. Here again we find there are men who differ so widely in their reports that it sometimes takes a considerable time before we can decide to open up an area of such a character. However I can promise my hon. friend the most careful consideration of this request. I have before me now an investigation which is being made.

Mr. KNOX: I should like to point out that in some cases the lands are located along railway tracks, and there should not be any more danger from fire in connection with a homesteader than arises from the operation of trains. The very fact that these lands are near a railway, I think, should entitle this request to receive special consideration because an awkward situation arises when homesteaders take up land in outlying districts where no railway communication exists.

Mr. McTAGGART: Would the minister explain what arrangement exists with respect to transferring grazing leases from the Dominion government to the western provinces? I understand an arrangement has been arrived at between these provinces and the Domininon for the transfer of grazing leases now under the control of the latter to the former.

Mr. STEWART (Argenteuil): An arrangement was made that we would turn over to the provincial government areas of grazing lands that had formerly been under lease for the purpose of their organizing a community grazing association—that was the object they had in view. So far we have only turned over one ranch, I think in Saskatchewan. I do not know what success the scheme is meeting with. All I know is that the provinces which were at first to pay the same rental we were charging, finally came back and asked that the land be turned over to them free of rental, they in turn agreeing to collect from the community association a charge of two cents per acre.

Mr. BIRD: I wonder if the minister would give me the exact figure in regard to the money paid on these pre-emptions or purchased homesteads?

Mr. STEWART (Argenteuil): I will be very glad to give that information at the next sitting.

Mr. BIRD: Also what amount is yet to be paid?

Mr. SPENCER: I should like to ask the minister a question with regard to pre-emp-

tions. I understand that if a purchaser has paid for the pre-emption but has not paid up his taxes he is not given a free title to the land. Is that so?

Mr. STEWART (Argenteuil): I do not think the matter would be held up in our office particularly, but when the purchaser went to register in the provincial registration office he would run into trouble there. We, of course, are not interested in the payment of the taxes.

Mr. SPENCER: The pre-emption of land would come under the supervision of the federal department would it not?

Mr. STEWART (Argenteuil): Not when he has paid up. He is a freeholder then.

Mr. SPENCER: Would he be allowed to get his patent if he had not paid up his local taxes?

Mr. STEWART (Argenteuil): Yes, I do not think we would hold it up. I do not think we are interested in the payment of the local taxes but I am not quite sure. Perhaps some of my legal friends who are doing business with the Land Title offices could supply accurate information. If I recollect properly you have to clear up the provincial encumbrances before your title is registered in the local register.

Mr. SPENCER: Then your department does not do anything in that respect? The case I have in mind is where several pre-emptions were taken up some thirteen years ago. Unfortunately the school taxes have not been paid, and it is going to involve a heavy burden on the other taxpayers in the district. The question was brought to my notice, and I said I would see what could be done. If the minister declares his department has nothing to do with the matter I shall have to take it up with the local authorities.

Mr. STEWART (Argenteuil): I am answering my hon. friend offhand. I do not see where we would be interested because there are no taxes due the federal government from these lands. They are taxes that are due to the local school districts and the municipalities in the particular province in which the land is located. I think when the man went to the local land office to register he might have trouble then; he might find the non-payment of these taxes an obstacle but I do not know positively.

Mr. CARMICHAEL: I should like to get a little information from the minister in regard to the purchase of homesteads and pre-emptions held by men who had been on active service and which were converted into soldier grants. I understand in some cases these men paid considerable money on the purchase of homesteads and on pre-emptions, and that when these lands were converted into soldier grants they were entitled to a refund. I should like to know what the ruling of the department is on the matter?

Mr. STEWART (Argenteuil): We have been treating each case on its own merits. It is really an adjustment that has to be made between the soldier interested, and the Soldier Settlement Board, and the Department of the Interior. I cannot inform my hon. friend that there is any definite policy in respect to the matter except to this extent—we try to protect the soldier as far as lies within our power.

Mr. CARMICHAEL: Is there any definite ruling we can follow to ascertain whether they are entitled to relief or not? I have several of these cases myself to handle. I have one at the present time which I desire to take up.

Mr. STEWART (Argenteuil): In some cases where differences of opinion arise between the Soldier Settlement Board and the settlers we are interested; but in most cases we turn the lands over to the Soldier Settlement Board, and they make their adjustments, whatever they may be. The difficulty of the pre-emption is rather a serious one. If my hon. friend has cases of this kind, I should be very glad if he would bring them to the department, and we would be prepared to give them the very best consideration possible.

Mr. McQUARRIE: Will the minister inform the committee as to the places where the Dominion lands and crown timber offices will be amalgamated? You have one at New Westminster. What are the other places where similar amalgamation will take place?

Mr. STEWART (Argenteuil): So far we have only one organization in British Columbia and Saskatchewan. Alberta and Manitoba are still in process of amalgamation.

Mr. McQUARRIE: It is proposed to amalgamate at all points?

Mr. STEWART (Argenteuil): Yes.

Mr. McQUARRIE: That is to be done immediately?

Mr. STEWART (Argenteuil): Yes.

Mr. HUMPHREY: What steps has the minister taken to amalgamate the offices in British Columbia?

Mr. STEWART (Argenteuil): It is not an easy matter to get all the records under control of one official. It takes some little time. This is being done as speedily as we can do it, but it is all in order to save expense, and yet give the necessary service to the people.

Mr. HUMPHREY: What was the object of the department in moving the land office from Revelstoke to Kamloops?

Mr. STEWART (Argenteuil): In the case of every place from which we move an office there is an objection. We felt, from the report submitted to the department by departmental officials, that this would give the necessary service that was required to carry on the business of the government at this point. These points were chosen because they were deemed to be the most central points for the purposes of the service.

Mr. HUMPHREY: Is it not a fact that the revenue at Revelstoke has exceeded any other office in British Columbia?

Mr. STEWART (Argenteuil): I cannot tell my hon. friend that.

Mr. HUMPHREY: I believe I am correct in stating that the figures of the Revelstoke office exceed any of the other two points. The figures at Revelstoke have increased each year since the office was opened in 1914. The revenue has greatly exceeded the expenditure at the Revelstoke office. It would look to me, if you are going to work it out on a question of economy, that you would have the office maintained at Revelstoke, which is the largest revenue paying office in the province. It is also at a point where there are more timber limits particularly adjacent to most of the business that is being done.

Mr. STEWART (Argenteuil): My hon. friend will notice that the revenues are almost upon an equality at Kamloops and Revelstoke; but the report we received here was that the one office would be quite sufficient to serve that particular locality, giving such service as might be necessary to the old points at which these offices were established. But one of the difficulties, of course, in trying to save money on administration is that no matter where you go with an office, or where you take away a service, it can easily be proven that it was very valuable to that community and that all the offices are needed.

Mr. HUMPHREY: In that connection, if this particular office had not been a very good revenue producing office, there would have been occasion to have it moved or amalgamated as a matter of economy; but this office is right in the heart of the timber belt. All the timber and land business practically is controlled and has been controlled from Revelstoke. By moving that office from Revelstoke to Kamloops, you put the people of that particular district at a double inconvenience and you disorganize work that has been established for some few years and established on a very good basis. If it could be shown by checking the reports that this office had not been paying, I do not believe there would have been quite as much objection raised to its removal. But decided objection has been raised, and that objection has been raised in the entire district, east and west, in that northern portion of the country.

Mr. STEWART (Argenteuil): I can only say that all I was interested in was to effect the greatest amount of economy in the administration of these offices, and I would be very sorry if we inflicted any hardship at any particular locality. I hope it will not turn out that way. I know there was considerable agitation when the report went out that we were to move this particular office, but that applies to any office we attempt to close. Kamloops has always been more or less of a centre for business of this character. I have no particular interest in Kamloops but I notice from the returns my hon. friend is referring to that they are just about on an equality, both sending in about the same amount of money.

Mr. HUMPHREY: Would you care to look into the case further, check up the returns of the entire business for each year and make a thorough comparison with the business at other points?

Mr. STEWART (Argenteuil): I would be glad to do that.

Mr. HUMPHREY: Taking into consideration all the objections that have been raised and the hardships the people of that district have been put to together with any other conditions that might arise?

Mr. STEWART (Argenteuil): I would be glad to do that.

Mr. McQUARRIE: Would the minister bring down that information with the other information?

Mr. STEWART (Argenteuil): Yes.

Mr. BIRD: Do I understand the minister has the figures at hand to answer my question?

Mr. STEWART (Argenteuil): No, I will bring them down at the next sitting. We have a very large number of items here, and as soon as we go into committee again I will have all these figures.

Mr. BIRD: Perhaps it is immaterial, so far as my point is concerned. I did not want to ask the minister any unfair question, but he will know his predecessors in office have always taken a certain stand in regard to the proceeds from those pre-emptions.

Mr. STEWART (Argenteuil): Yes.

Mr. BIRD: I just want to elicit from the minister whether he is taking the same stand. I will not press the question; but I would like to remind the House at this juncture that the amendments to the Dominion Lands Act which created these pre-emptions and purchased homesteads were enacted by this House with the express purpose of supplying a fund for the construction of the Hudson Bay railway. Perhaps I shall be in order in just briefly reviewing what took place some years ago. The Dominion Lands Act of 1882, as I think is well known, made provision for building the Hudson Bay railroad. It provided a grant of 6,400 acres per mile for that part of the railroad reaching to the Saskatchewan river, and one grant of 12,800 acres per mile for that part reaching from the Saskatchewan river to the bay. Part of that grant was subsequently earned by a private company, that part relating to the road up to the Saskatchewan river. The other part of the grant was left in abeyance until 1906. At that time, due to the influx of immigrants into Saskatchewan and Alberta, the question of the Hudson Bay road became vital once more, and both political parties then acknowledged the rights of the West with regard to the construction of that railroad. It became a plank in the platforms of both political parties, and the Liberal government at that time, coming to a fresh lease of power, acknowledged that right to the furthest extent.

Mr. CHAIRMAN: I feel the hon. member is hardly in order at this particular time.

Mr. BIRD: When I came into the House a short while ago, these pre-emptions and homesteads were being discussed, and I am dealing with the proceeds of the sales of those pre-emptions and homesteads.

The CHAIRMAN: I thought the hon. member was dealing more particularly with the Hudson Bay railway than with pre-emptions and homesteads, if I am not mistaken.

Mr. BIRD: I am leading up to a question. I am afraid that the minister will not be able to give a very intelligent answer to my question unless I outline the situation. I was about to say that the Liberal government at that time, through the hon. gentleman's predecessor, thought fit to amend the Dominion Lands Act in this regard. The alleged reason for the amendment was twofold: to bring the act up to date and also to incorporate in it the principle which the Liberal party had adopted, that of "no land grants to railways." When Mr. Oliver proceeded to do that, he found himself in a dilemma. To do away with land grants to railways looked like going back on the West with respect to the Hudson Bay railway. His ingenuity was exercised considerably in order to get over that, and the pre-emption clause with which we are dealing to-night was the result. Mr. Oliver brought forth that amendment providing for the purchase of homesteads and pre-emptions in order to get over that difficulty, and he got over the difficulty to some extent. If it did away with grants to railways, thus carrying out the Liberal principle of "no land grants to railways," at the same time it made ample provision for the Hudson Bay railroad. That is the point I want to draw to the attention of the minister, the government and this House to-night, namely that the proceeds realized and to be realized from those purchased homesteads and pre-emptions with which we are dealing to-night, are, morally speaking, the property of the West in respect of the building of the Hudson Bay railroad. That is the situation that has always been acknowledged in this House. When Mr. Oliver was bringing this legislation before the House, he iterated and reiterated this fact: that the sole object in bringing in this legislation was to provide for building the Hudson Bay railroad; that there was no other object. He went so far as to say that if the provision alone was not sufficient to complete the road, he would make it sufficient; he would contribute land in order that sufficient money might be realized for the purpose of com-

pleting the railway to the bay. I thought I would take advantage of this opportunity to bring that before the House and the government in order to revive in the minds of the people at the present time the fact that the West has in this respect a right that has always been acknowledged, that never at any time has been questioned and that is written large upon the pages of Hansard, both at that time and since. Without pressing the minister to declare his attitude in the matter, I shall be content with placing that fact before the House.

Mr. MILLAR: I should like to make a plea to the minister for leniency in regard to those who have leased grazing lands at a very high price. To-night we have learned that some grazing lands have been leased for two cents an acre, and in some cases, the price has been 20 cents an acre and more. Grazing land leased at 20 cents an acre a few years ago when times were good, was all right, but the price of stock having gone down, it is quite apparent that 20 cents an acre is an exorbitant price. I have a case in mind at the present time of a party who has spent a considerable amount of money on grazing land in building fences and who is now in arrears. I might point to a case which came up either last session or the session before, where in the sale of a pulpwood berth in the northern part of Manitoba, I believe, a concession was given by the minister to those who had made the purchase on the ground that the price had been too high. I cannot remember all the details, but that is what took place. Will the minister follow the same course and deal leniently with those who have purchased or leased grazing lands at the high price of 20 cents and even, I believe, 30 cents an acre?

Mr. STEWART (Argenteuil): Were those Indian lands?

Mr. MILLAR: Yes.

Mr. STEWART (Argenteuil): Of course they are in an altogether different category from Crown lands, and unfortunately during the period of the war some very high figures were paid for grazing lands, in some cases in Alberta as high as 30 cents an acre. The hon. member for West Calgary (Mr. Shaw) will, I think, bear me out in the fact that this has broken two of the ranchers there. The matter is a very difficult one to adjust. One cannot very well sit down and say that you are going to forgive them altogether the payment of those rentals, but I have been doing the best I can to make an adjustment of rentals.

[Mr. Bird.]

Mr. GOULD: I wish to repeat a request which I made to the minister last year. I quite anticipate that I shall receive the same reply, but the request is on behalf of individuals who have been given the privilege of taking land in forest reserves. The hon. member for Prince Albert (Mr. Knox) cited a similar case in his constituency. These men after settling there, persuaded themselves that they required a school district. Many of those lands have returned to the Crown, and the school districts in question are very hard pressed because of assessments and taxation which they are obliged to make in order to maintain their schools. I believe they have repeatedly requested the department, and I have received many requests to present their case on the floor of the House, to ask the Dominion government to assume the taxation on those lands that have reverted to the Crown. It seems to me logical to ask that in order to assist school districts which were constituted largely as a result of settlers going in there.

Mr. STEWART (Argenteuil): I am afraid my hon. friend is putting up a very difficult proposition to the department, for it would open the door very wide for innumerable claims, particularly on lands under the control of the Soldier Settlement Board throughout the whole of western Canada, and in the East too I presume. I am entirely in sympathy with his plea, but if the Crown undertook to pay taxes in such cases I do not know where it could stop.

Mr. GOULD: I wish—

The CHAIRMAN: What the hon. gentleman is discussing should come under the fifth item—Protection of timber, tree culture, protection and management of forest reserves, surveys of forest resources and research in forestry and forest products and so forth.

Mr. GOULD: I thought contingencies might relate to the point as well. But I would direct the minister's attention to vote 141, the third item, "Halifax, Bellevue building—local improvement taxes, $1,777.77." I wonder if there is a differentiation between urban and rural taxes. Again I would remind the minister that the natural resources of Saskatchewan are retained by the federal government. Consequently it seems to me that our argument is stronger than the reference made to the eastern provinces, which own their natural resources.

Mr. SPENCER: I would direct the minister's attention to Indian and school lands

which were sold during the war at prohibitive prices. I understand that the interest rate in many cases was raised to 7 per cent when the purchasers did not keep up their payments. This has been a great hardship, especially as the value of products from the farm, has gone down considerably, thus placing these men at a great disadvantage in keeping up their payments. Has the minister considered reducing the rate to, say, 6 per cent, to make it a little easier for them to meet their interest obligations?

Mr. STEWART (Argenteuil): The increase was made some four or five years ago at the request of the provincial governments. I believe I was one of the delegates who appeared before the right hon. leader of the opposition (Mr. Meighen), then Minister of the Interior. Saskatchewan was perhaps most insistent at the time in making this request. We were asking that the school lands be turned over to us for administration purposes. It was pointed out to us that the function of the department was that of trustee for the provinces, and by special arrangement the interest rate was increased. If we have not already done so we intend to write to the provincial governments asking them to revert to the old rate of interest in order to relieve the situation somewhat. It is a matter in regard to which we must receive the consent of the provincial governments before we take action.

Mr. SPENCER: Would that include school as well as Indian lands?

Mr. STEWART (Argenteuil): School lands only.

Item agreed to.

Mr. STEVENS: The whole vote is not passed, Mr. Chairman.

The CHAIRMAN: The whole vote is not passed, only the second item.

DEPARTMENT OF CUSTOMS.

Civil government—Customs and Excise—salaries. $585,755
Contingencies.. 48,000

Mr. CALDWELL: Explain.

Hon. JACQUES BUREAU: (Minister of Customs and Excise): The details are on page 83.

Mr. STEVENS: Mr. Chairman, I do not wish to be obstructive, but has notice been given of the estimates for this department coming up?

Mr. MACKENZIE KING: It is not the intention of the government to proceed with this vote to-night, but, as my hon. friend knows, a technical rule of the House would prevent us from going into Committee of Supply on the estimates of any department on Thursday or Friday unless previously some item of those estimates had been called. The purpose therefore of calling this item to-night is simply, that on Thursday or Friday we may take up the estimates of the Customs department.

Mr. BUREAU: This item is hardly correct In order that when we come to discuss the vote hon. members will be aware exactly how it should stand, I would ask that an amending motion be made by my hon. friend from Quebec South (Mr. Power).

Mr. POWER: I move that item 13 be amended by inserting after the word "salaries" the words "including W. Ide, superintendent of staff, at $4,200." These words appeared in the estimates as prepared, but were inadvertently omitted from the printed estimates. The amount of the vote is not affected, this item being already provided for.

Mr. BUREAU: Mr. Ide's name was in the estimates as submitted to be printed, but through some error it was omitted. Reference to page 83 will show that the amount is set out in the twelfth line, "superintendent, staff $4,200." It does not increase the estimate at all. I have taken this procedure because last year the same thing happened when the estimates of the Post Office Department were before the committee. The name of Mr. Anderson had been omitted, and a similar motion was made to rectify the mistake, I was the mover of the motion when my friend the present Minister of Railways (Mr. Graham) was acting for the Postmaster General.

Mr. STEVENS: I do not object at all to my hon. friend moving the motion, but I would direct attention to an incident that occurred the other day when we were discussing certain items. A motion was made by an hon. member on this side of the House directing where the vote should go. It was ruled out of order on the ground that it was not competent far a private member to move such a motion, that it ought to come from a minister of the Crown. If the rule then was applicable to a private member on this side of the House, it would be equally applicable now to the hon. member for Quebec South.

Mr. POWER: I will ask the Prime Minister to give me the acting position with salary.

The CHAIRMAN: The ruling to which the hon. member for Vancouver Centre (Mr. Stevens) refers was that a private member could not change the destination of a vote.

Mr. STEVENS: Exactly.

The CHAIRMAN: I assume that this motion is simply descriptive as to whom the salary is payable.

Mr. POWER: It is to correct a clerical error.

The CHAIRMAN: Or omission. With the information which the minister has given, it seems to me that this is not a motion to change the destination of the vote.

Mr. STEVENS: I merely want it distinctly understood that if a similar motion is later on presented by a private member from this side of the House, the present procedure will establish a precedent which will then be in order.

Mr. BUREAU: To prevent any error, may I ask that, with the consent of the House, the name of the mover be changed to that of the Minister of Labour (Mr. Murdock)?

Mr. POWER: With the consent of the House I will withdraw the motion.

Mr. BUREAU: I do not want to break any precedent established by the House. I was not here when the ruling referred to by the hon. member for Vancouver Centre (Mr. Stevens) was given.

Item stands.

Progress reported.

PROHIBITION IN UNITED STATES

CONVENTION BETWEEN HIS MAJESTY AND THE PRESIDENT

Mr. DEPUTY SPEAKER: 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, signed at Washington on the twenty-third day of January, one thousand nine hundred and twenty-four, for the purpose of avoiding any difficulties which might arise between them in connection with the laws in force in the United States on the subject of alcoholic beverages, a copy of which has been laid before parliament, by inserting in the said resolution in the blank space therein the words "Senate and".

On motion of Mr. Mackenzie King the House adjourned at 11.25 p.m.

Tuesday, April 8, 1924

The House met at three o'clock.

UNITED CHURCH OF CANADA

Mr. J. W. KENNEDY (Glengarry and Stormont): Mr. Speaker, I desire to present petitions from members of St. Andrew's church, Lancaster, and Knox church, Lancaster, opposing the enactment of legislation to incorporate the United Church of Canada.

REARRANGEMENTS AND TRANSFERS OF DUTIES IN THE PUBLIC SERVICE

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 39, to amend the Act to authorize rearrangements and transfers of duties in the public service.

He said: The purpose of this bill is to add a section to the statute passed in 1918, an act to authorize rearrangements and transfers of duties in the public service. The section provides that the powers, duties and functions assigned to the minister and officers of the branch from which the transfer is made shall automatically be vested in the minister and the officers of the department to which the transfer is made. A similar provision exists in statutes with respect to particular departments, and it is the suggestion of the commissioners having to do with the revision of the statutes that this section should be made general to secure clearness and uniformity.

Mr. HOCKEN: Does this mean a reduction in the number of departments and of cabinet ministers?

Mr. LAPOINTE: No.

Motion agreed to and bill read the first time.

POST OFFICE ACT AMENDMENT

REGISTERED MAIL

Hon. CHARLES STEWART (Argenteuil) (Acting Postmaster General) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to amend the Post Office Act by providing that the Postmaster General may prescribe and enforce such regulations as to letters directed to be registered, as to him seem necessary, in respect to the registration of letters and other matter passing by mail, and to the charge to be made for the same, and to compensation for loss not to exceed one hundred dollars in any one case.

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.

IMMIGRATION—QUEBEC RESTAURANT

On the Orders of the Day:

Mr. HENRI E. LAVIGUEUR (Quebec County): Mr. Speaker, I rise to a question of privilege. I notice in the Ottawa Citizen of this morning that the Minister of Immigration (Mr. Robb) is reported as stating that the canteen and restaurants in connection with the immigration buildings at the port of Quebec will be taken over by the government. The article quotes the minister as saying:

> Canada will welcome immigrants at her gates with good food at prices based on the actual cost of the service. . . A feature of the service will be lunch boxes which can be bought over the counter and which contain supplies especially selected for use on the trains.

And so forth. The article goes on to say that Mr. P. W. Dugal has been engaged by the department to take over this work. I should like to know from the minister whether this report is correct.

Hon. J. A. ROBB (Minister of Immigration): I have not read the article in the press referred to by my hon. friend, but for his information and for the information of the House I may say that the department have engaged Mr. Dugal, who had charge of the restaurant of the Quebec legislative assembly for a number of years. We have engaged him to take charge of the restaurant which will be available to immigrants at the port of Quebec.

Mr. LAVIGUEUR: May I ask the minister if the contract has been signed, and when Mr. Dugal is to take over the work?

Mr. SPEAKER: Order. The hon. member will have to put a question on the order paper. This is not a question of privilege.

LAUSANNE TREATY

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): According to despatches from London it would seem that there is considerable misunderstanding over the Lausanne treaty and Canada's obligations thereunder. There are one or two points, it seems to me that ought to be definitely cleared up by the government at this time. According to the statement made the other day by the Prime Minister in Hansard, page 946:

> We deemed it of the utmost importance that there should be no misunderstanding as to our position with respect to Canada's obligations in this and kindred matters and we stated that in our opinion parliament would desire, as respected the treaty with Turkey and any other instrument arising out of the Lausanne Conference, to reserve to itself the right to decide, on the merits of the case, what action on the part of the people of Canada was right and proper.

If I understand that clause aright, the statement there given, according to the Prime Minister's own wording, was that this parliament should decide what action should be taken. The Prime Minister the other day emphasized the importance of procedure, that Canada was not invited to be present at the making of the Lausanne treaty, but I take it there is something more in it than that, and that is our present attitude and our present relationship under that treaty.

Mr. SPEAKER: Order. The hon. gentleman knows the rule. No argument can take place at the present moment. Only a question can be put to the government.

Mr. WOODSWORTH: I am sorry to have had to preface my question with this statement, but it seemed almost necessary. I feel that in the first place we ought to have the attitude of the government more definitely brought before us and the matter cleared up.

Mr. SPEAKER: Order.

Mr. WOODSWORTH: We should know distinctly what is the attitude of the government in this regard.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think I made clear when speaking the other day what the attitude of the government is. My remarks are on Hansard, and were I to repeat what I said at that time I would simply be answering my hon. friend's question at the moment. I might say to him, however, that I think the British Prime Minister, the Right Hon. Mr. Ramsay MacDonald, has under consideration bringing down the despatches that have passed between the British government and the self-governing dominions. We have expressed the hope that he will do so. I feel sure if that request is met it will answer any doubts of my hon. friend.

Mr. JOS. T. SHAW (West Calgary): That brings to my mind a question that I would like to ask the Prime Minister. According to this morning's press the Prime Minister of Great Britain is reported as stating that he was prepared to bring down the correspondence, but that he was awaiting reply to an inquiry which he had made of the Dominions for permission to lay it on the Table, and he suggests that no response has been

made to his request. I would ask the Prime Minister if that has any reference to Canada or only to some other parts of the Empire?

Mr. MACKENZIE KING: I do not think the statement my hon. friend has quoted can possibly refer to Canada, inasmuch as when I received from Mr. MacDonald a communication asking as to whether we would be agreeable to having the correspondence brought down, I answered within an hour that we would be very pleased to have this done. Probably the other Dominions have not replied.

INQUIRY CONCERNING RETURN

On the Orders of the Day:

Mr. ALEXANDRE J. DOUCET (Kent, N.B.): May I call the attention of the Minister of Railways to Paper No. 130 in answer to question No. 37? The letter, dated 11th April, 1922, refers to a letter of 1st April from Major G. A. Bell, which letter is not included in the file. Furthermore, a letter dated 10th April, 1923, is signed "J. D. Reid, President." My purpose in rising is to call attention to this omission, and also to ask whether J. D. Reid was president of the Canadian National Railway Board on the tenth of April, 1923.

Hon. GEORGE P. GRAHAM (Minister of Railways): I hardly understand my hon. friend's question. J. D. Reid was never president of the Canadian National Railway; he was Minister of Railways. I will call the attention of the department to the matter.

TREATY WITH TURKEY—LAUSANNE CONFERENCE

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): I would ask the Prime Minister when he intends to allow parliament to deal with the treaty with Turkey and with the Lausanne Conference matters?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Parliament may have that privilege just as soon as the budget has been brought down and we resume after the budget discussion of general matters.

BUSINESS OF THE HOUSE

VOTES AND PROCEEDINGS—CUSTOMS ESTIMATES IN COMMITTEE OF SUPPLY

On the Orders of the Day:

Hon. JACQUES BUREAU (Minister of Customs): Mr. Speaker, I find on reading the Votes and Proceedings of yesterday that after reporting certain resolutions of the Minister of the Interior it winds up by saying "Report to be received and Committee of Supply to sit again at the next sitting of the House." Now, after the resolutions of the Minister of the Interior were taken up, Customs estimates were taken up and a resolution was called, but there is nothing in the Votes and Proceedings to show that any Customs resolution was called. There also was a motion made which was carried, which does not appear in the Votes and Proceedings. I do not know whether Hansard is to be the record of the votes and proceedings of the House, or whether the Votes and Proceedings, signed by yourself, Mr. Speaker, or in your absence by your deputy, is to be the record. If the Votes and Proceedings is to be the record, I would ask that it be amended, and that what took place after the consideration of the various resolutions of the Department of the Interior be inserted therein as part thereof.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I cannot very well agree to the rule operating one way only. Frequently I have called attention to insertions in the Votes and Proceedings, on two occasions at least, of items of which there was no record in Hansard at all; but I was answered, "The Votes and Proceedings are the record of parliament." If they are, they must remain the record, and they cannot be added to by a subsequent reference to Hansard.

Mr. BUREAU: Now is the time to have the evidence when the witnesses are here. My hon. friend the member for Vancouver Centre (Mr. Stevens) was leading the opposition last night in the absence of my right hon. friend (Mr. Meighen), and I would ask him or the members of the Progressive party if what I state is not a fact. There was a motion made to correct an error in the Customs resolution that was called by the Chairman.

Mr. SPEAKER: I was not in the House yesterday when this incident took place, but I am guided by the scroll of the Clerk of the House, and the Votes and Proceedings are based upon that scroll.

Mr. BUREAU: May I remark that the evidence of all the members of the House who were present when this took place ought to supersede the scroll, whatever it is. The Deputy Speaker is here, my hon. friend from Vancouver Centre (Mr. Stevens) is here, the Minister of Labour (Mr. Murdock) is here, and they were here last night when the

motion was made and declared carried by the Deputy Speaker. To confirm the explanation given by my right hon. friend the Prime Minister, I afterwards asked that the item stand, and that the committee rise. Now there is nothing to indicate this in the Votes and Proceedings. But suppose I want to go into supply on Thursday, where is the evidence that my estimates have been taken up before? Is the scroll part and parcel of the Votes and Proceedings?

Right Hon. W. L. MACKENZIE KING (Prime Minister): You have just said, Mr. Speaker, that in these matters you are guided by the scroll. I happen to have the scroll in my hand, and it is in accord with what the Minister of Customs has just stated.

Mr. BUREAU: Does it say my motion was carried?

Mr. MACKENZIE KING: Yes.

Mr. BUREAU: Let us clear this thing up. Mr. Speaker, can the House know what the scroll is, where it is to be found when we want it as evidence of our proceedings, and by whom it is certified.

Mr. SPEAKER: I will ask the Assistant Clerk of the House to read the scroll in order to satisfy the hon. gentleman.

Mr. Beauchesne thereupon read the scroll as follows:

April 7.

House in Committee of the Whole on Supply.—Mr. Gordon in the chair.

Resolution 250. Carried.

Resolution 251. Moved by Sir Henry Drayton that this resolution be reduced by $69,450.

Lost on vote of 45 to 53.

Resolution carried.

252 Carried

253 Carried

289 Carried

288 Carried

290 Committee decides to take up each item separately.

Item $506,380 Carried

Item $210,000 Carried

364 Stand (not read by chairman).

13 Amendment moved by Mr. Murdock that this vote include salary of Mr. Ide, Superintendent of staff. Progress. Resolutions passed to be reported.

A. BEAUCHESNE,
Clerk of Committee of Supply.

Mr. BUREAU: The question I should like to have answered is, how members can get at this scroll to find out what has taken place the night before?

Mr. SPEAKER: The scroll is kept in the Clerk's office. It is under the care of the Clerk of the House.

Mr. MEIGHEN: I simply want to put myself clearly on record in this matter. The House should decide whether it wishes the Votes and Proceedings to be regarded as the official record or not and should abide by that decision. I never heard before of the scroll being regarded as an official record. On a previous occasion when the Votes and Proceedings contained something that did not appear in Hansard we were told "Hansard is not the official record. That is your misfortune; you will have to abide by it". Now we have this situation that although the Votes and Proceedings is regarded as the official record it does not agree with Hansard; the latter has something which the former fails to record. Let us have a decision in this matter. Let us observe one rule or the other.

Mr. SPEAKER: The Votes and Proceedings, as I stated a moment ago, are based on the scroll. The latter records what took place in the House and such of the committee's proceedings as are reported to the Speaker by the Chairman. The Votes and Proceedings are the evidence of what has taken place in the House and are based on the scroll.

Mr. BUREAU: The point I have in mind is this: Suppose I desire to go into committee of supply on Thursday, and the leader of the opposition says that before I can do so I must observe a certain rule. I claim that I have obeyed that rule. Now, where is the source to which I can go to establish my claim? I ought to be able to do that by quoting from a public document which is in the possession of hon. members. I do not see why I should be compelled to refer to some document in the exclusive possession of the Clerk as to what happened in the House the day before.

Mr. SPEAKER: Is the statement in question in Hansard?

Mr. BUREAU: It is in Hansard, but Hansard is not the official record.

Mr. LAPOINTE: The Votes and Proceedings record all that takes place in the House, but not all that happens in committee. That has always been the custom.

Mr. McMASTER: This discussion merely shows how wise and proper are the calls from more distant parts of the chamber for an audible discussion by those sitting on the treasury benches, or who lead other parties in the House.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

MELFORT NORTHEASTERLY

Resolved, That it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from the end of steel at Mile 24 on the Melfort Northeasterly line of the Canadian Northern Saskatchewan Railway to Mile 41 near Nipawin, in the province of Saskatchewan; mileage already graded, 6 miles; estimated mileage including existing grading, 17 miles; estimated cost, $360,000.

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

Sir HENRY DRAYTON: I suppose the Minister of Railways proposes to take advantage of this opportunity to read the necessary parts from a letter of the president of the National Railway System.

Mr. GRAHAM: I would not think that would be necessary as the construction of this line was supported by my hon. friend. We are just adding a little to it. My hon. friend must have had all of that information last year.

Sir HENRY DRAYTON: I should think my hon .friend would like to have a proper record.

Mr. GRAHAM: I should be delighted to give the information but it will not be from a letter of the president. The information I have on the subject is as follows:

Melfort N.E., Mile 24-41	Cost
Grade now ahead of track, 6 miles	
Proposed in 1924, 11 miles grade;	
17 miles track..	..$360,000

It is proposed in 1924 to add 11 miles of grading to the existing 6 miles ahead of the track and lay the steel on this 17 miles, taking the line to near the town of Nipawin, at an estimated cost of $360,000. When this work is completed, it is proposed to leave the track there for some years.

The first work done on this line in 1919, when the grading was started, 30 miles of which was completed by the end of the season 1920, the track being laid on 23.7 miles in 1921, and 1922 the ballasting, etc., being finished that far.

The line runs through a particularly good agricultural area, admirably suited for grain growing and the proposed extension would take the branch into the heart of a large settlement very well developed. The grain off this line is its justification, it being figured that 612,000 bushels annually might be expected, besides which 140 cars of freight inbound and outbond, consisting of live stock, coal lumber, merchandise and wood, would be furnished the line. Practically all of these commodities, and particularly the grain and live stock, give a long haul to the railway, thus supplying other lines of the system with considerable business.

It is estimated that the average saving in distance for road haul to the farmers for their grain would be 12 miles, and if this is taken to be worth ¾ cents per bushel per mile hauled, on the estimated quantity of 612,000 bushels this would make a saving annually to the farmers of $55,080 on the grain alone.

This is one of the lines in which the grading was done on the branch line arrangement, I think, of 1919.

Sir HENRY DRAYTON: I take it this year's programme will complete the railway to Nipawin.

Mr. GRAHAM: That is about it—near the town of Nipawin.

Sir HENRY DRAYTON: In this particular case I think a large amount of money has already been spent on the line. This line if built, when built, will be a very great advantage to a very good agricultural part of the country, and it seems to me the system is absolutely committed to its construction. Further than that I believe the construction is a good one. It is one which of itself ought to go on.

Mr. MACLEAN (York): I would like to refer in a general way to the question of these Canadian National branch lines, and, to bring the matter within the purview of the House, and in order to let the House know where I stand in this matter, I propose to read from the annual report of the Canadian Pacific Railway for 1923, presented to the shareholders in March last in the city of Montreal. This report is signed by the president of the Company, E. W. Beatty, and the president takes his stand in regard to railway expansion for his system. I am in favour of the National railway being also given every fair facility to expand where the requirements of the country call for it, and I intend to keep to a like position for the expansion of the Canadian National. I was one of those who favoured the acquirement of the Canadian National Railways and I advocated it in days gone by. Now that we have the Canadian National railways, this House is bound, in every fair way, if the proper extension is a proper one, to vote the money for it, and I think if the extensions are reasonable they should be made. In order to show the position of the Canadian Pacific Railway on this question, I will read from the annual report of the Canadian Pacific Railway for the fiscal year ending 31st December, 1923, dated Montreal, March, 1924. Section 5 reads:

Owing to the magnitude of your system, continuous expenditures on capital account will always be necessary, if it is to keep pace with the growing transportation requirements of the country but your directors have adhered to the policy of restricting the issuance of securities to the lowest amount, consistent with the maintenance of the property. During the year under review the fixed charges were increased only by the modest sum of $121,747, and dividends payable on preference stock by the sum of $447,732.

Then he goes on to name the roads which he is in favour of, and he names those which are practical for immediate construction, or construction as soon as possible. He mentions the following:

Leader southerly branch, mileage 50 to 75.

Lomond northwesterly extension of the Suffield southwesterly branch, mileage 30 to 40.

An extension of the Archive-Wymark branch to Coderre, 12 miles.

An extension of the Moose Jaw southwesterly branch from Consul easterly, mileage 60 to mileage 97.

Amulet-Dunkirk branch 25 miles.

The requisite applications to parliament are being made for the necessary statutory authority to construct such of the above lines, the charter authorities for which have expired or are expiring.

Arrangements have been made for the construction of an extension of the Tuffnell-Prince Albert branch of the Manitoba and North Western Railway from mileage 50 to mileage 129. The Manitoba and North Western Railway Company has statutory authority to issue bonds not exceeding $40,000 per mile in respect of this branch, which bonds will in the usual course be acquired by this company with the proceeds of the sale of consolidated debenture stock to be issued for the purpose.

That means that the Canadian Pacific Railway at its directors' meeting announced that they intended to continue their policy of extension of their lines, and the great magnitude of the system was their justification. Does that argument not also apply to the Canadian National Railways? I say that when the Canadian Pacific Railway is embarking on these various propositions the Canadian National Railways should not be held back. Here we have the Canadian Pacific Railway proposing this policy of extension; the announcement is made at the annual meeting of the directors, and the shareholders approved of it. This same argument applies still more to the Canadian National system, which is a larger road, a consolidation of a great many other roads, and is now coming to be the great National Railway of Canada.

Since this discussion opened we have heard rather queer things in connection with the Canadian National Railways. I am going to refer to the speech made in this House by the hon. member for St. Lawrence-St. George (Mr. Marler). Less than twelve days ago he made a speech in which he dealt with this question of the extension of the Canadian National, and he told us a rather doleful tale. First of all, he made a calculation, and placed it before the House, as to what the commitments of Canada in connection with all our National Railways were, and at page 896 of Hansard hon. members will find a summary of those commitments as he gives them, amounting to two billion dollars. He said they would be even more than that. Now if the amount of the commitments of Canada on account of the Canadian Nationals is to be quoted in this House, it is high time this House settled in some way what the commitments are and what would be a fair interest on them. So, I am going to make a suggestion. The prime minister of England made a suggestion of this kind not so long ago which was accepted. Let us admit that the statement of the hon. member is correct, and that we have this debt of two billion dollars on account of the National Railways; let us fix the amount of interest, and then we will know what the annual charge is to be. It would not be a bad calculation for us to call it a billion and a half for these commitments, and allow three per cent on that. That means that the Canadian National will have to make sixty million dollars a year above its working expenses in order to pay its way. Let us put the amount at a million dollars a week. Let us therefore take this amount for a starting point in this House and the country—that we are committed to at least a million dollars a week out of the earnings of the National Railway to pay the commitments after the overhead has been paid. I think this would be a very fair proposal, because all that money did not actually go into the building on the various roads—the old Intercolonial, the old Canadian Northern, the Grand Trunk Pacific, and a dozen other roads that have disappeared into the consolidation. These roads are all in this consolidation and all are in this estimate of the member for St. Lawrence-St. George. It is an absurd estimate to place the figure at two billion dollars, though the hon. member said it was more than that. Let us put it at a billion and a half, and count that practically a million dollars a week should be set aside out of the earning expenses to pay the interest on this investment. When we have that, we have something to go on, and I challenge the hon. member for St. Lawrence-St. George and the Minister of Railways, to

come to an understanding in this House, in order to settle once and for all the amount to be recognized as the interest charges of the National Railways, as against its earnings, after the cost of running the road has been paid.

The hon. member (Mr. Marler) at page 898 of Hansard, made this remarkable statement:

> In conclusion as regards the remarks which I have been making I want to say this—and it has reference to a fact which, I think, is not fully understood or fully grasped—we have in this country at present two great railway systems, the Canadian National and the Canadian Pacific.

I grant that.

> I think every member in this House, I think everybody in this country, should wish well for both these lines, they are both great national undertakings.

I dispute that. The Canadian National Railway system is the only national undertaking in this country. It is owned by the Canadian people, the Canadian Pacific is owned by a private company under a charter granted by parliament a good many years ago, it is capitalized at over a billion dollars, and has a great earning capacity. Nobody knows who may be the next owners of the Canadian Pacific. I have some reasons for suspecting that certain American railways have tried to acquire the Canadian Pacific—perhaps they could acquire it to-morrow. Either the Pennsylvania Railway or the New York Central Railway might acquire the Canadian Pacific to-morrow, and the ownership would pass out of the hands of—I was going to say Canadians, but there are other stockholders in Europe. On the other hand, the Canadian people own the Canadian National Railways and intend to keep them forever. Therefore, I dispute the hon. member's statement that the Canadian Pacific is a national railway on a parity with the Canadian National. It is not. The only hold that we have to-day on the Canadian Pacific is through a most peculiar clause in the charter creating the Company, a clause which I do not think was ever incorporated in any other railway legislation. This clause is to the effect that the Canadian Pacific Railway Company is to maintain the railway in the interests of the people of Canada for ever. That is why the American roads to-day have not secured the Canadian Pacific railway. They do not like to undertake the responsibility of maintaining the road in the interests of the Canadian people for ever.

The hon. member also made this surprising statement:

> Now to have competition between these two lines is senseless in the extreme. If traffic arrangements can be made with one line to help out another line, I think those arrangements should be made. To build lines unnecessarily when there is not enough traffic to satisfy both these systems is not putting this House, is not putting this country, in a position to get lower freight rates in the very slightest degree.

The hon. member proposes co-operation between the Canadian Pacific and the Canadian National with respect to branch lines. Does it not follow that some day the two systems will be consolidated? I know many people in the West say it is a good thing for the country that we have railway competition. Perhaps it is, but it may entail very heavy and needless expense. Therefore, I believe that when the people realize what their commitments are for these two great systems, they will come to see that there is something in the argument advanced by the hon. member and that through the elimination of competition great economies may be effected. I think this is the first time that anyone has heard—shall I say?—a "cry from Macedonia," —a suggestion from Montreal, in favour of co-operation between the Canadian National and the Canadian Pacific. Perhaps somebody is getting frightened about the future. Undoubtedly, the progress of the Canadian National is the surprise of the world to-day, and its position is a credit to the Conservative party that consolidated its component roads into one great system.

As one who has done something in that direction, I am going to support any reasonable proposal for branch line development of the Canadian National Railways after this declaration by the president of the Canadian Pacific Railway, Mr. Beatty, endorsed by his shareholders, in favour of a similar development of their system to look after the transportation needs of the Dominion. I agree with the leader of the opposition that there should be a careful scrutiny of the proposals that come before this House for building branch lines as feeders for our great national railway system, but I would sooner retire from this House than acquiesce in the proposal that the Canadian Pacific shall be allowed to expand but that the Canadian National must expand no further. We have a right to proceed with a programme of expansion, even if we have to go in debt to finance it, for there is no doubt that the position of the road is absolutely sound.

I have always had complete confidence in Sir Henry Thornton. That confidence does not extend to his co-directors,—but he did not appoint them. I am still a believer in the management of our National system by a board of directors such as was authorized and established by the Conservative party.

This House has always maintained control of the National system in its review of any proposals which may come from the management. Therefore, until I hear some real objection to these branch lines I am going to give reasonable support to the proposals and that we at least keep faith with our people by extending the system wherever extension may be needed. I would give especial preference to the West in this respect. I think all these branch lines will eventually pay their way.

But here is the great difference between the Canadian Pacific and the Canadian National system. The Canadian Pacific is a privately owned line, committed to the payment of dividends to its stockholders. I hope that the ambition of the men who administer the Canadian National Railways is to give service at the lowest possible rates irrespective of dividends. That is a rather rabid doctrine, perhaps it may be termed Red or Bolshevik, but it seems to me that the people desire a national system of railways so operated as to render a service at minimum rates instead of piling up big dividends for shareholders. Therefore, I repeat that I disagree with the statement of the hon. member for St. Lawrence St. George that the two roads are of the same "breed of dog." They are absolutely different. One is the people's road; the other is owned and controlled outside of Canada—by whom, we do not know. The Canadian Pacific Railway could be acquired in New York or in London to-morrow, and that is a significant fact which the Canadian people have to consider. Therefore, to ask me to refrain from endorsing any reasonable proposal for the expansion of the Canadian National Railways while the Canadian Pacific is allowed to go on is something to which I cannot agree. So I say that if the Canadian Pacific Railway is going ahead we should keep pace mile for mile, if that can be justified, as I hope it will.

There is another public owner of railways in this Dominion and that is my own province of Ontario. That province has built a splendid road in the Temiskaming and Northern Ontario Railway, which is opening up new mining country. That road has been paid for, by the people of Ontario, and it is believed pretty generally that the Canadian National Railways to-morrow would take it over, assuming all the liabilities in connection with it and giving all the extensions which the people require in northern Ontario. Doing that, of course, they would also no doubt afford similar extensions in the province of Quebec.

The railways in Canada are operated at present on a most primitive basis; their locomotion depends upon the generation of steam in individual engines. This is not the most satisfactory way of operating railways. So far as I can gather, the best railway experts to-day are to be found in England, and it is their opinion that as the railways in that country cannot be driven by hydro energy, then the electrical power can be generated by great batteries in connection with boilers situated right at the mouth of the coal pit. Electricity generated in that way could drive all the railways in England at a lower cost than they can be operated to-day; and I have no doubt that this is what will be done with the five systems of railways in England. In England the best engineers are working out the problem of the electrification of the railways upon the bases of high tension and long distance transmission. Electrical energy can be transmitted almost a thousand miles now without any great waste. In this country we could electrify our railways and provide energy for all our industries, and I think that steps ought to be taken to bring this about. We have in Canada, from British Columbia, right through the western provinces, through Ontario and Quebec, a number of rivers which could provide electrical energy to drive every mile of railway in the Dominion, and drive it at a much lower cost than the railways are being driven at the present time. Already, I believe, the two great systems in Canada have given some consideration to this question; but no private concern could undertake a work of this character in the way that a nation could. In any event, it would be well if the two railways could get together and co-operate in this direction; and for the first time we have heard some suggestion from Montreal which would seem to indicate that the Canadian Pacific Railway is not averse to action of this kind. This of course is only what some people might call a "gesture"; but at any rate it seems to me to convey some significance. At least I should like to see some co-operation between the province of Ontario and the Canadian National Railways, because there is no reason why the construction of rival lines should continue. In my opinion there ought to be some consolidation of railway service in the mining districts in Quebec and Ontario. The Temiskaming and Northern Ontario Railway and the Canadian National Railways, from North Bay, through Sudbury and in that direction, might with advantage be consolidated. If the Canadian Pacific Railway were willing to co-operate, so much the better; but at any rate it would be well, I think, to have such a consolidation of the roads in the prov-

ince of Ontario as I have indicated. There is a great demand for economy to-day, and I am glad to have heard from my hon. friend (Mr. Marler) that he is prepared to support a policy of co-operation.

As to the future of the Canadian National Railways, let me say that the principle of public ownership has been adopted in this country as a permanent institution. The people of Canada own the National Railways now and are determined to make them a success. To do this they are going to patronize the national roads before any other railway. In Ontario, apart from the public ownership of railways, we have a publicly owned hydro electric system which has been exceedingly successful. It has paid all its commitments and is meeting its interest charges in the way of amortization and so forth. Some years ago, I might remark here, a company was organized to build a railway and power service in Brazil. Millions of dollars were put into that concern and stock was sold in Canada, although there was never any very great return from it. Three gentlemen in Ontario have now undertaken the revival of this Brazilian road and the first step they have taken in the matter, is, to me, the greatest compliment, on the part of a private concern, to public ownership. Mr. Couzens, who was formerly general manager of the Toronto Transportation Company, a publicly-owned street railway, and who was also general manager of the Hydro-Electric System of Ontario, was offered and accepted a position with these parties who are now developing the Brazilian road. Mr. Couzens was bred to public ownership in England, and in this country he was a strong advocate of the principle. He is the ablest technical man in railways in America to-day, and these people offered him a considerable inducement in the way of salary to join them. I do not blame him for going; he is a man who is getting up in years and pro-

4 p.m. bably in five years' time he will be in easy circumstances. I do not know whether the city of Toronto had the opportunity of retaining Mr. Couzens, but I believe that they would give three times what they are now paying out to have kept him. It was rather significant that so soon as he went out of office—and no one knew that he was going until his resignation was submitted—the city of Toronto secured two young men, trained in the University of Toronto, our own boys, to take charge of the public transportation system and of the power distribution system as well. We are bringing up these men by the score in our universities and they are all ardent advocates of public ownership. They would rather see the public utilities improved than that these things should be operated for the purpose of creating earnings for shareholders of over-capitalized corporations. We have a good start in public ownership in Ontario and are making considerable headway with the Toronto transportation system. Hon. gentlemen have only to consider the success that has attended the Hydro system, and to look at the success which the Canadian National Railways are meeting, to be convinced of the benefits of public ownership. The success of the Canadian National Railways is a surprise to the world. Is it not reasonable, then, to suppose that the United States, in view of this fact, and seeing what a revolution has swept over not only this country but England and other places as well, will follow suit? Let us hold what we have, I say, and keep pace with the Canadian Pacific Railway.

My hon. friend (Mr. Marler) made a doleful but very able speech; I read it in a sick bed some days ago, and I was pleased to read it. I give my hon. friend credit for it, but it was a brief for the Canadian Pacific Railway. Apparently the brief was cut in two, because the hon. member for Joliette (Mr. Denis) afterwards got up and endorsed every word that the hon. member for St. Lawrence-St. George said. Then he went on. "I wish further to say," and apparently read the completed portion of the brief. So we had in his discussion eight days ago what was the hand of Esau if it was not the voice of Jacob. Anyway, who is Esau? Ask the member for St. Lawrence-St. George. Or ask the member for Joliette; perhaps he knows. So, that after all the struggles of the past, after all the stones that have been thrown at the government for consolidating these roads, we have them now and we are at least going to keep step with the Canadian Pacific. I do not know whether the minister has had an opportunity of reading the annual report of the Canadian Pacific Railway Company, but there is his justification.

Mr. GRAHAM: I have a copy of it.

Mr. MACLEAN (York): I suggest that hon. members get their copy of this annual report and read it. It may be said that we have not the money to do these things, but if the Canadian Pacific can afford it the people of Canada can afford it; that is my answer to that argument. The Canadian Pacific is a great railway. It has enormous resources, it has good management and a splendid board of directors. But the Canadian National as it is to-day has seventy per cent of the strategical advantage of the transcontinental railways of this country.

They have it at Montreal, acquired by the Grand Trunk, sixty or seventy years ago. They have it in the St. Lawrence district, at Toronto, in the Niagara river district. Their advantage in those sections is so great that the New York Central had to duplicate their lines right through. The Grand Trunk crossed the Detroit river and carried that strategical advantage right to Chicago, and the greatest earning railway in Canada to-day is the old Grand Trunk between Chicago and the St. Lawrence and New England ports. We also have a lot of the strategical advantage of the West. We have it in the mining country of northern Ontario, in the ownership of either the Dominion or the province. We have the advantage also in the Rocky mountains. Our pass is the best pass through the Rockies, and we would share it on terms with the Canadian Pacific if they should feel like approaching us. We hear a lot of talk about the harbour of Vancouver, but there is another harbour called Prince Rupert, and it is going to be one of the great ports of the Pacific, so we have the strategical advantage there too. It is true we have to cross the Canadian Pacific tracks to get to Vancouver, but some day that may be adjusted. The National Railways are surprising the world to-day by their success and by the excellence of their administration. I would like to point out also that it might be conceived that if the Canadian Pacific Board became dissatisfied with this country they might undertake to sell their road on the New York or London market. Of course they say it is the last thing they would do, that they are actuated by national reasons in maintaining the line as it is. But the temptation is always there to take the money for it, to cash in and distribute the proceeds among the shareholders. They would make that distribution to-morrow but for the wise provision made by Sir John A. Macdonald. Nobody knows why he did it, but for all time the condition is imposed on the Canadian Pacific Railway Company to maintain that road for the service of the people of Canada. Whether or not in a court of law they could be made to deliver the goods I do not know, but it certainly is the one thing that keeps the Americans from buying out the Canadian Pacific.

I say to the Minister of Railways, go on with your extensions wherever they can be justified, wherever the president can give a substantial reason for the expansion of the system. I believe that the Canadian people, including a great many Conservatives, will support him in a policy of that kind.

Mr. KNOX: I want to compliment the hon. member for South York (Mr. Maclean) upon the manner in which he has faithfully and, if I may say so, tenaciously, stuck to his belief in public ownership. If any man in this House deserves the title of father of public ownership of railways, I think it is the hon. member for South York.

The district through which this branch line goes, forms part of the constituency which I have the honour to represent, and cannot I feel sure, be surpassed in productiveness in any part of the West. The people went in there some fifteen or twenty years ago and settled forty-five miles, or even further than that, from the nearest railway. They did so, of course, in the belief that the railway would ultimately go through, but during all these years they have been hauling their grain long distances. In 1921 this twenty-four miles of line was built from Melfort to Ridgedale. Even before the steel was laid, elevators were going up, but no sooner did the steel get through than elevators sprang up at the three stations on that piece of line, almost over night—sprang up like mushrooms. I am sure that they have been a paying proposition ever since. It is now intended to extend this line out to Nipawin, a distance of another seventeen miles, six of which are already graded. I know the district very well, and have no hesitation in saying that this extension will be a paying proposition. There is just one thing that occurs to me: There is a district out further east which is likely to be left without transportation service. A delegation came down here last year to make representations in the matter and I had hopes that some provision would be made for service there. This line going up to Nipawin will still be a considerable distance from the district further east to which I refer. We do not want our railway lines to parallel each other. The Canadian Pacific has a charter through this country and I think we should keep in mind that the lines should be as far apart as possible so that some one of them will give a service to the people to the east. That country to the east is very thickly settled and very productive, but a great many of the people still have to haul their grain a considerable distance. I shall not speak at any further length except to say that there can be no doubt whatever as to the advisability of getting a line through this district.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 40,

respecting the construction of a Canadian National Railway line to Mile 41 of the Melfort Branch near Nipawin, in the province of Saskatchewan.

Motion agreed to and bill read the first time.

PEEBLES, NORTHERN SASKATCHEWAN

Hon. GEORGE P. GRAHAM (Minister of Railways) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Peebles on the Canadian Northern Saskatchewan Railway, southerly to a point in or near township 10, range 8, west of the 2nd meridian, in the province of Saskatchewan; mileage already graded, 20 miles; estimated mileage including existing grading, 22 miles; estimated cost $300,000.

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

Mr. GRAHAM: I will put on Hansard the memorandum in connection with this line:

	Cost
Peebles South, Mile 0—22.	
Grade now ahead of track—20 miles.	
Proposed in 1924—2 miles grade; 22 miles track.	$300,000

It is proposed during the year 1924 to add two miles to the existing 20 miles of grade and to lay the track on this 22 miles and ballast and otherwise complete the line, at an estimated cost of $300,000. When this is done, it would not be the intention to extend this line any further for at least some years.

The grade on this line started in 1919 and was completed by the end of the season of 1920, and during that year the greater portion of the track material was delivered. Since 1920 no work has been done on this line.

This branch runs through a good agricultural area mostly grain growing, but at the south end has some mixed farming. This territory produces good crops when rainfall is sufficient, but is subject to dry seasons which make short crops. The land is practically all taken and mostly settled except south of Mile 20.0 where there is some unoccupied land. The crop in 1923 in this district was very good.

The justification for building this line is that approximately $216,000 has already been spent towards its completion, which is now earning nothing, and it is estimated that when the line is completed as far as proposed there will be an annual business of 660,000 bushels of grain furnished to it, a great deal of which now goes to our competitor, and in addition to the grain there would be about 150 cars of in and out bound freight, consisting of live stock, coal, lumber and merchandise. It is computed that the farmers would save an average of about 16 miles haul on the 660,000 bushels of grain referred to per year, and if this is taken as worth ¾ cents per bushel per mile hauled, it would mean an annual saving to them of $79,200. The freight from this line would be all of a long haul character, thus feeding other lines of the system.

Mr. MACLEAN (York): Who signs that?

Mr. GRAHAM: It is a memorandum given to me by the Canadian National Company, for which Sir Henry Thornton is responsible.

[Mr. Knox.]

Mr. MACLEAN (York): I am glad that fact has been given out. I had not heard it before.

Mr. GOULD: I think this is the fifth session in which I have pleaded for the construction of this road, and I am very pleased to see the matter in the state of progress it is in at the present time. The statement given by the minister is absolutely correct. If there is any error in it, it is that the memorandum is a trifle too conservative. I have been well acquainted with this particular district for twenty-three or twenty-four years, so I should know whereof I speak. I am rather regretful that the government or the management of the railways did not consider it advisable to continue this road to its objective, that is to the coal fields to the south. True, as the minister has said, I believe that all the benefits he enumerated will accrue to the people in that district, and more perhaps, but there is still quite a large area further south which, as the memorandum states, is not completely settled. This area would be better settled if the road was continued. Settlement has taken place in that country largely because of the prospect of a railroad going in there. It is the child of a former administration, and at one time we had the ties and steel sufficient to lay eleven miles of the grade along that railway. But that was removed for some cause or another, although a promise had been distinctly made to us that the material would not be removed. The people in that part of the country were keenly disappointed likewise the hon. member for Qu'Appelle (Mr. Millar), the hon. member for Weyburn (Mr. Morrison) and myself, that this material was removed. To-day we have a vote of $300,000 to supply the material that was taken from us; so really this is a revote. I shall ask the minister, when we get into committee on the bill, what the prospects are for the continuance of this road southerly to the coal fields. I also wish to point out that while it is true that considerable revenue will accrue to this road if constructed only to the point at present indicated, the latter part of the road—there is only six or seven miles of it in my district—will be the greatest revenue producing part of the line, and if the road were continued farther south, it would produce revenue proportionately. I do not expect there will be any criticism of this resolution. If criticism develops later on we shall have to meet it when the bill itself is brought down. I would recommend to the consideration of the minister and of the House the extension of this road to the coalfields.

Mr. MILLAR: Although this branch line is in the constituency I have the honour to

represent—with the exception of a very few miles that extend into the riding of my hon. friend who has just spoken—I should not make any remarks on the proposal at the present time were it not for the fact that the unexpected happened last year when the branch line bill met with sudden death in the Senate. For that reason I think it desirable to supplement the explanation of the minister and of the member for Assiniboia (Mr. Gould) by a few statements of my own.

Let me state first of all that I know this district quite well. As the minister has stated it is well settled. It lies in the territory between two Canadian Pacific branch lines, which are about forty miles apart and run almost parallel east and west. The intention is to cut that territory north and south by this proposed Canadian National branch line. Hon. gentlemen can readily see that if that territory now lies between two branch lines of the Canadian Pacific, practically all the freight goes to that company. This may not be of great importance and yet it is a traffic that is well worth having if we wish to build up our government railways. For the information of hon. members I should like to place on Hansard extracts from two or three letters received from residents of the district. The first is from a communication sent to me on behalf of the People's Committee, and it reads as follows:

> We have had 14 miles of grade since 1919. This has been made ready for track laying twice, even to the extent of staking. The steel and ties have been lying at Peebles since February, 1921.
>
> Regarding the returns—

You will see now that the minister's statement is quite conservative.

> —with this 14 miles completed a committee got together and made the following estimate. Grain alone, even in these poor years, amounts to 500 cars of 1,000 bushels and years like '15 up to 900 cars, saying nothing of coal and cattle, besides other cars that would come in. The returns on the grain and cattle would not be for the 14 miles alone but would be figured freight to Port Arthur, as all this is now shipped by C.P.R., by Arcola, Stoughton and Reston-Wolseley lines.

Now another paragraph:

> The people are so in earnest regarding this work, that, failing to get a favourable decision from the railway authorities, they are going to ask they be allowed to do this work themselves, the railway to furnish only a work-train and supervisor and to overcome the difficulty of funds will ask for an arrangement to have the expense charged up against freight from this line. This is just the outline of the plan at present.

That shows the anxiety of the people to have this branch line built. I am not saying that their plan is at all feasible, but it shows the anxiety they feel in the matter. Let me now read an extract from a letter written by Mr. Fred Baldwin:

> I would ask you to put before the minister the fact that on an ordinary year there is at least 500 cars of grain that find their way to other railways, to say nothing of thousands of heads of stock that are raised in the Moose mountains and adjoining districts and all other trade that naturally comes in its trail. Also an item worth mentioning, the line would tap a district where there seems to be a splendid supply of good gravel, which is also a great asset for ballast and should not be lost sight of.

I shall now give a short extract from another letter received from Mr. Arthur J. Boyer, of Montmartre, Sask. which says:

> The construction of the Lampman-Peebles branch is very necessary as it will serve a large district, practically all under cultivation and from which the Canadian Pacific Railway Company now draw all revenue from outgoing grain and incoming freights of coal, lumber and other merchandise.

Now, Mr. Chairman, it might not seem necessary to spend much time on these branch lines if it were not for the remarkable arguments that have been presented by the hon. member for St. Lawrence-St. George (Mr. Marler), the hon. member for Joliette (Mr. Denis), and the hon. member for North Toronto (Mr. Church). I imagine that if these hon. members had an opportunity of spending even one week in the middle of winter among the farmers of that district they would alter their opinions as to the necessity for this branch line. If they saw those farmers hauling their grain for a distance of sixteen, seventeen and eighteen miles in cold weather, making a total journey altogether of thirty-two, thirty-three, or thirty-five miles, I have a high enough opinion of the hon. members in question to believe that they would change their attitude very quickly. It is very easy for a person who lives within a few minutes' walk of a railway station, and who is not compelled to undergo such hardships as do the farmers I have referred to, to say "We cannot afford money for this purpose. Times are too hard, money is too scarce. We will support only those branch lines that are absolutely necessary". "Absolutely necessary" is such an indefinite term that I imagine it can be twisted into a reason for opposing any of these branch lines.

Now, just a word in reply to the hon. member for Joliette. I deplore the frequency with which comparisons are made between the East and the West, between one province and another. The tendency is to cause friction between such provinces, between the East and the West. But sometimes we are compelled to take notice of some statements that are made. For example the hon. member

read a statement going to show a greater mileage of railways in the western provinces than in eastern Canada in proportion to population. I think that may be taken for granted. You cannot have the same mileage in a sparsely settled country just being opened up for settlement as in older and more densely populated sections containing populous cities like Montreal and Toronto. It would be like expecting to find on the head of a child as many gray hairs as there are on the head of an old man. Now, as to the amount of money that is spent in the West let me give an explanation which is not intended for the benefit of the majority of members but for the information of a few who seem to have a wrong impression. On March 27, I asked these questions:

What is the amount of money exepended for rural mail delivery in the three prairie provinces?
What amount of money is expended in the postal districts of the province of Ontario?

For the benefit of the member for Joliette who is not in his place, let me say that the amount that is expended in Ontario for this purpose, was given as $1,602,595, whereas the expenditure in the three prairie provinces was $190,000.

Mr. SUTHERLAND: Has my hon. friend got the postal revenue derived in those provinces?

Mr. MILLAR: I have not all those figures but I will give certain other figures. Some reference was made to the amount of freight. Let me tell hon. gentlemen that in the busy season, in the fall of the year, a train containing forty carloads of wheat passes through Winnipeg eastward every thirty minutes, or a little better than that, night and day. I think that statement should be an answer to what hon. gentlemen opposite have said in regard to the question of freight. And I think it will answer the statement of my hon. friend from South Oxford (Mr. Sutherland), and prove that all the freight in the country does not originate in an acre of stone quarry.

Mr. MARLER I do not know I am sure what urged the hon. member who has just spoken to direct certain remarks against me. I am not opposed to all the branch lines. If he had taken the trouble to read the few remarks I made the other day he would have seen that I stated then, as I state now, that each branch line should be looked into on its merits. My hon. friend need not get palpitation of the heart thinking that I am going to oppose this particular line. It will probably relieve him very much now when I say that I believe this branch line is one of those that are necessary, and I have taken the trouble, as far as my capabilities will permit, to look into this particular line, and I am quite ready to approve of it, either on this resolution or on the bill itself. But the statement which I made quite clearly in this House the other day, and which I make quite clearly again, is that I will oppose any branch line that does not appear as meritorious as this one. Why should the hon. member take exception to my remarks on that account? I have not sat still, as most of the members of the group directly opposite have done, and refrained from raising my voice against particular lines. Those hon. members opposite have been exceedingly quiet, and they have not raised their voices against any branch lines in the programme brought down. They have not opposed anything. They have swallowed holus bolus every single line up to the present time. And why? Because they were afraid if they did not keep quiet they would not get their own branch lines. That is the attitude they have taken and it is all very well for the hon. leader of the Progressives (Mr. Forke) to point to me, as he did the other day. Hon. gentlemen opposite have been very careful to talk about economy, but they are not quite so careful to preach economy when considering lines that are not necessary, and which, I believe they know are not necessary, in other parts of the country. The only reason is that they are afraid if the first resolutions do not go through, those in the middle of the programme will not go through, and they want to get their own branch lines.

I have explained my attitude clearly and distinctly, and that is my answer to the statements of the Progressives in this House. I will oppose every branch line that I think is not necessary or economical. I believe that this branch line is a meritorious one.

Sir HENRY DRAYTON: Notwithstanding some of the arguments that have been advanced in favour of this resolution, I am still of my original opinion, which is the same as it was last year, that this is a meritorious line and ought to be built, and the only pity is that it was not considered on its merits last year and put through.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 41, respecting the construction of a Canadian National Railway line from Peebles southerly in the province of Saskatchewan.

Motion agreed to, and bill read the first time.

GRAVELBOURG—NEIDPATH EXTENSION

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from the end of steel at Mile 109 on the Gravelbourg Extension of the Canadian Northern Railway to Mile 120 at Neidpath, in the province of Saskatchewan; mileage already graded, 11 miles; estimated mileage including existing grading, 11 miles; estimated cost, $144,000.

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

Mr. GRAHAM: The memorandum I have with reference to this line reads as follows:

	Cost
Gravelbourg Extension, Mile 109—120.	
Grade now ahead of track—11 miles.	
Proposed in 1924—11 miles track..	$144,000

It is proposed in 1924 to lay the track on the 11 miles of grade now completed ahead of the end of steel, thus completing the line to the town of Neidpath, and there to leave it for the time being, at least.

In 1920, the grading was finished as far as Neidpath, (Mile 120.0), but the track was only laid as far as Mile 109.6. In 1922 the line was practically finished, including the buildings, fencing, etc., as far as Mile 109.0, with the exception of about 30,000 yards of ballasting, which remains to be done to this point.

This branch runs through an undulating country well suited for grain growing, and a large portion of the land is under cultivation, giving a good production of wheat and other grain.

The justification for building this line to Neidpath is that already one-third of the money necessary to complete it has been expended and is now earning nothing. Besides this it is estimated that when complete this line will ship 480,000 bushels of grain each year, in addition to about 70 cars of in and outbound freight, composed of live stock, coal, lumber and merchandise. About 8 miles on the average will be saved in road haul to the farmers for this 480,000 bushels of grain, which if computed as worth three-quarters of a cent per bushel per mile hauled, would make an annual saving to the farmers of $28,800 for grain alone. The portion of this line already built has always been a large and consistent shipper of grain, which is of a long haul character, and thus would add materially to the business of other lines of the system.

Mr. LEWIS: I do not rise with the intention of opposing this line at all. It runs through the district I represent, and I would like to say, before going any further, in answer to a question that was addressed to this part of the House, that I at least did raise my voice in regard to one branch line that went through this committtee. It was a line of which I made a fairly complete study, and I think I placed my views on Hansard. It is almost impossible for a person to make an intensive study of every branch line that comes up for discussion in this House, and for that reason it is up to other members to do a little work and to reveal a little of the conditions that they think are detrimental to the welfare of the country. In regard to this individual line, possibly hon. members will recall that this line has been proposed for a number of years. It is running through a rich, arable country. I do not like to eulogize the country, as some of our hon. friends from Nova Scotia have done when they have likened their country to the garden of Eden.

Referring to the garden of Eden, I remember it had no branch lines; the only part of the story that was interesting to me was that telling of the people that were in it, and I would not like to tell the members of this parliament that we have people of that description, because someone might want to bring in a bill banning that territory. I say it is a good country, and it grows a splendid amount of grain. But I want to show the members of this House what has been said in regard to this branch line, and for that reason I would like to place on Hansard what was said in 1921 by the then representative of Swift Current. Mr. Argue said:

I understand that in 1918 this line was promised to the people of the district, and they were told that it would be completed by 1920; that is to say, it would ultimately reach Swift Current; but on account of the war and for various other reasons construction has been delayed.

Not only did Mr. Reid and Mr. Hanna sanction this line, but also the late Mr. Kennedy. When I spoke to him about the matter —and I think his statement will be found in Hansard—he said that the line would be completed as far as Swift Current. I might quote further from Hansard of May 6, 1921:

Mr. Argue: I would like to have a more definite statement from the minister with reference to the branch line in Saskatchewan to run from Gravelbourg to Swift Current, on the Canadian Northern. In 1918 we were promised by the president of the company that the railway would be in Swift Current in 1920, and we have been very patient so far in waiting for the road to be built. Now the grade is up to Neidpath—

—which the minister mentioned a moment ago.

—and steel is laid to within ten miles of that point. The farmers of that district have made arrangements, and laid all their plans, to build an elevator at Neidpath, but they were advised that it would be better to wait until they could get some more definite assurance with regard to laying the rails on that branch. What I would like to know is whether the rails would be laid on the branch in time for these people to get out their wheat this fall. There is something like 40,000 acres of grain which will be marketed in Neidpath providing the elevator can be built so as to store the grain until it can be got out. I would like the minister to give me that assurance so that the farmers can go ahead with the arrangements for building the elevator with the certainty of being able to take out the grain this fall.

Mr. Reid: In speaking to Mr. Hanna about the matter he mentioned that they would lay this ten miles this year for the reason that an elevator would

be built, and it was for that purpose the rails would be laid. I am quite satisfied that it is the intention of the Canadian National Railway management to lay the ten miles in question and I feel satisfied from the way Mr. Hanna mentioned it to me that there is no doubt it will be done. Unless something unforeseen should happen it is the intention anyway to lay the rails before that time. The 50,000 tons of new rails which were purchased are now being rolled and sent on to the main line. The rails thus released will go on to the branch lines and the branch in question is one of those that will be taken up first.

So hon. members will see that the people had been promised this line for several years. Now there is a prospect of its being completed. When introducing this resolution the Minister of Railways stated that this line would be completed this year, but that the branch line programme is to extend over three years. I would ask him, does this preclude the possibility of any further extension of the line for the next three years?

Mr. GRAHAM: Of course, every session parliament can do as it pleases. It depends on the programme approved by parliament and on the recommendation made by the Canadian National Railway Board as to the necessity of the line.

Mr. LEWIS: That, of course, is the crux of the whole question. The minister spoke of the psychological effect that a three year programme would have upon people in the vicinity of the projected line when they became aware that railway construction would proceed for the next three years. I wonder what the psychological effect will be when the people find that the line may not be completed during the next three years. I would urge upon the minister the necessity of proceeding with the construction as rapidly as possible. I shall submit various reasons in support of my request, and I hope the Minister of Agriculture (Mr. Motherwell) will back me up.

In the first place, if to-day the people affected wish to bring in coal or fruit from the West they must haul it 265 miles. That is to say, it must be hauled from Swift Current to Moose Jaw, then round by Gravelbourg and up to Neidpath, a distance of 265 miles; whereas if this gap were constructed, the haul would be only twenty-four miles. This is not good business, and undoubtedly great economy would be effected if the gap were spanned. It is very difficult for us to get fruit on the prairies. On the Gravelbourg extension line we have a tri-weekly service, and by the time perishable goods have been hauled the 265 miles they are in such bad condition that the people are discouraged and do not attempt to ship in fruit which they require. I honestly believe that if this line were completed it would pay for itself in one year by reason of the increased freight business that would necessarily follow. At the present time we are advocating the shipment of grain via Vancouver. The country tributary to this line grows, as the hon. minister has already stated, 480,000 bushels of wheat every year. Under present conditions if we wish to send our grain to Vancouver we would have to pay freight rate on an extra 265 miles. I believe the time is coming when the people in the district will send their grain westward to Vancouver, and there is no reason why they should not have the opportunity of doing so by the spanning of this gap. Furthermore, this territory is naturally tributary to Swift Current. Swift Current is the logical distributing centre, but owing to the non-completion of this branch line the farmers in the neighbourhood have to rely on Moose Jaw, which means a longer haul of 265 miles. I might cite many other reasons in support of my request, but I do not wish to weary the committee. I think the minister knows that the gap should be bridged at as early a date as possible, and I hope that in the very near future he will see to it that the necessary construction is proceeded with. I hope also that the Minister of Agriculture, who knows the district well and has often had delegations wait upon him about the completion of this line, will also back me up in this request.

Mr. MOTHERWELL: Mr. Chairman, the recital by the hon. member for Swift Current (Mr. Lewis) of the necessity for the completion of this branch line is, I think, substantially correct. It was a bitter disappointment a year ago to the people along the prospective route to find that, notwithstanding that a construction crew with full equipment and material was already on the ground, the whole thing had to be called off. The result was that the people had to wait a year longer, and I am sure that it is generally hoped that there will not be a recurrence of what one might regard as almost a catastrophe to people who have been waiting so many years for a much needed railway service. As regards the suggested extension to Swift Current, that gap of course should be bridged as soon as possible. But as the board could not exceed the mileage of last year the question with them, as I presume it must be with all of us, was, how best to expend the money, primarily to the advantage of the farmers themselves. I do not like to make any comparisons as between the various interests of the farmers and the cities, but I

think hon. gentlemen will agree that the primary object in the building of many of the branch lines was to place the farmers sufficiently near their markets to make it possible for them to grow grain at a profit and without spending all their earnings in wagon and sleigh haulage. I am afraid, notwithstanding the claims made in regard to this extension, that there are some outstanding rural districts that have even stronger claims. I may refer to one or two in Saskatchewan west of Shell Brook. The hon. member for Prince Albert is not in his seat, but some other hon. gentlemen who are present know what a vast extent of territory lies west of Shell Brook, into the Mistawasis district, past Shell river and into Norquay, a distance of some 50 miles. The whole of this district has been settled and there is not a railway within 40 or 50 miles of these people. There is another line west of Turtleford that requires to be extended; there should be an extension through the Paradise Hill country in the province of Alberta, and something should be done in that case at an early date. The question is, which of these various claims is the most urgent? It is important, I think, that the gap between Neidpath and the city of Swift Current should be bridged, because it would save a tremendous haul for grain, coal and lumber coming from the West; and the people of Swift Current would themselves appreciate the speedy building of this road, for it would mean a very great deal to them. As to what next year will bring forth, that of course is something that must depend upon the results of this year's work and the speed with which the present programme is carried out.

Sir HENRY DRAYTON: The attitude we take towards this line is precisely the attitude we took in connection with some of the other branch lines: it is one that should have been built last year, and could have been built if the government had taken the matter up as a question of business. The delay is to be attributed in part to the Minister of Agriculture (Mr. Motherwell) as a member of the cabinet, and all the pretence and sham about the three-year period is extremely obvious in this case. We have no objection to this proposal.

Mr. McTAGGART: This line does not run through my constituency but I am familiar with the territory which it is intended to serve. I understand that the line was projected originally to extend as far west as Swift Current. The line has been completed with the exception of a gap of 24 miles, and, as has been explained by the hon. member for Swift Current, this gap necessitates a tremendous haul, of from 200 to 250 miles, of coal and lumber coming from British Columbia. My impression is that until the gap is bridged the line of railway as it stands at present will not pay. Has the board made any recommendation that the line not so far built be completed at an early date?

Mr. GRAHAM: All recommendations made will be found in the branch lines programme.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 42, respecting the construction of a Canadian National Railway line extending the Gravelbourg branch to Neidpath, in the province of Saskatchewan.

Motion agreed to and bill read the first time.

STE. ROSE DU LAC—RORKETON

Hon. GEORGE P. GRAHAM (Minister of Railways) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from the end of steel at Mile 15 on the Ste. Rose du Lac Extension of the Canadian Northern Railway to Mile 37 at Rorketon, in the province of Manitoba; mileage already graded 22 miles; estimated mileage including existing grading, 22 miles; estimated cost, $378,000.

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

Mr. GRAHAM: I shall put on record in Hansard the memorandum in connection with this line. I will not say anything in reply to the remarks of my hon. friend (Sir Henry Drayton) because I am much more anxious to get the resolutions through than to start a debate. But here is one line that seems to have been stopped in 1920 and which might have been constructed. The memorandum follows:

	Cost
St. Rose du Lac. Mile 15—37.	
Grade now ahead of track—22 miles.	
Proposed in 1924—22 miles track..	$378,000
Proposed in 1925—nil..	
Proposed in 1926—nil..	
	$378,000

It is proposed during 1924 to lay 22 miles of track on the grading already done on this line, at an estimated cost of $378,000, it then being intended to allow the track to remain at this point for a few years before further extending this line.

Prior to 1919 the line was in operation to the station of Ste. Rose du Lac, Mile 11.3 with the track laid further to Mile 14.9, and the grade to Mile 18.1. In 1919, a grading contract for 18.9 miles was let. This contract was completed in the year 1920, the grade then reaching Mile 37.0. This left 22 miles of grade on which no track has been laid. A location survey has been made for about 22 miles beyond the end of grade, with the eventual idea of tying the line into the town of Winnipegosis.

This branch runs generally north through a scrub timber country which has plenty of precipitation each year. There is considerable grain grown in this district but it is best suited for mixed farming. The land is practically all taken up and has very considerable settlement on it.

The justification for building this line is that about $110,000 has already been invested in the grading now done, which is earning no money, and it is estimated that 396,000 bushels of grain per year will be hauled off the line when completed. An average of about 16 miles road haul on grain will be saved to the farmers adjacent to this line, and this, computed as worth ¾ cents per bushel per mile hauled, would effect an annual saving to the farmers of $47,520 on grain alone. Besides the grain business it is estimated that 190 cars of in and out-bound freight would be handled each year, consisting of live stock, lumber, wood and merchandise. The freight obtained from this line will be practically all of a long haul character, thus furnishing the rest of the system with considerable traffic.

Wagon road construction in this district is difficult and expensive on account of the sections of low wet ground. The railway would supply the main artery for this district, permitting the expenditures to be confined to lateral roads, and the provincial government has been appropriating money and building these lateral roads to the proposed sidings.

Sir HENRY DRAYTON: I did not quite get the point of what my hon. friend said in opening; I did not know there was anything to debate. Is there any issue at all on the question as to what happened to these branch line proposals last year? The only reason I raised the matter was because the hon. minister of Agriculture (Mr. Motherwell) brought it up and sought to take an unfair and improper advantage of it. If my hon. friend wants to debate the question there is just one thing for him to debate and that is the truth of what was brought out last year and the force of the objection then raised, namely, that the three-year period applied to work to be done within one year. If my hon. friend wants to debate what would have to be ridiculous, I am content to debate it with him, because I shall have to say very little. In connection with this line we say exactly the same thing that we say in connection with the rest of them. It is a line that ought to be built: It is a line that ought to have been built last year.

Mr. GRAHAM: And the year before.

Sir HENRY DRAYTON: Yes, the year before, if that had been possible. It was not built last year because the proposal could not get a fair consideration on its merits. We have no objection to this line.

[Mr. Graham.]

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 43, respecting the construction of a Canadian National Railway line extending the Ste. Rose du Lac branch to Rorketon in the province of Manitoba.

Motion agreed to and bill read the first time.

HANNA—WARDEN

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Hanna to Warden in the province of Alberta; estimated mileage including existing grading, 57 miles; estimated cost, $1,445,000.

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

Mr. GRAHAM: The following is the statement with respect to this branch line:

In 1924 it is proposed to grade 57 miles of this at a cost of $504,500, and in 1925 to lay track on this 57 miles of grade, and ballast 30 miles at a cost of $792,000. In 1926 it is proposed to ballast 27 miles at a cost of $148,500 thus completing the branch.

Construction of this line will serve a double purpose, as it will open up the agricultural district through which it will run and will also make a shorter route for railway and other coal to Hanna and points east, as well as shortening the route from points on the Goose Lake line to points northwest.

The country through which this line runs is a good agricultural area, principally grain raising, and there is considerable settlement and development throughout.

The justification for the construction of this line is that about $42,000 per year will be saved in routing coal, and that there will be 1,710,000 bushels of grain marketed on this line, besides 370 cars of in and out bound freight consisting of live stock, coal, lumber and merchandise. It is figured that on the average, 12 miles of road haul will be saved to the farmers, and this applied to the 1,710,000 bushels of grain and taken as being worth ¾ cents per bushel per mile hauled, will mean an annual saving to the farmers of $153,900 in road haul on grain alone. The class of freight produced from this line, being all of a long haul character, will contribute business to other lines of the system.

Mr. SPEAKMAN: I am not rising to oppose this line, part of it lying through the country I happen to represent, but I do wish to present one or two facts in connection with it to the committee, and for the consideration of the minister.

As far as cheapening of operating costs in transporting coal is concerned, I am not competent to discuss it from that point of view. I know, however, that the saving will be considerable. A large part of the coal loaded at the Brazeau collieries will be routed that way, I think. When you consider that about 16,000 cars were loaded at Brazeau in 1923

you can see the possibilities in that direction. The comments which I wish to make, however, are in regard to the location of the line as it affects the farming territory to be served, and while I am not in any way attempting to set my opinion against the opinion of the engineers who laid out this line I would suggest from my knowledge of the country there that they take into consideration these facts.

The line proposed runs from Hanna to Warden. If the line proposed ran from Hanna to Big Valley, about 16 miles south of Warden, and be taken in connection with the proposed line in the next resolution, from Loverna westward, which will ultimately connect up with the Hanna-Warden or Hanna-Big Valley branch, the distance would be shortened and I believe the country served would be a more fertile country and would produce a larger amount of freight. In connection with that may I make one suggestion? I have, of course, as have all other hon. members, received a great many requests for branch lines, and I have always asked the farmers when they made such a request that they accompany it with a map showing all the farms located within a ten-mile radius on either side of the line, together with the amount of produce of various kinds available for shipment that they have produced in the last two or three years.

Mr. MARLER: The hon. member speaks of combining this line with the other line. Would it take the same distance, 107 miles, if they were combined, or would it shorten the distance?

Mr. SPEAKMAN: As far as the distance is concerned, if the two lines were combined, the distance would be shorter in every case if the terminus of the present branch were at Big Valley instead of Warden.

Mr. MARLER: And serve as good a country?

Mr. SPEAKMAN: And serve a more fertile and a more thickly settled country, as the part of the country chosen for the proposed route is more or less of a lake country, and is partly used for cattle grazing. I am speaking now of the point with which I am acquainted, that is the farming country to be served and the farm produce to be expected as freight. I am not referring to the shorter routing of coal, which, of course, is an argument on the other side, and if there is a distinct advantage to be derived by the railways in that respect and from other sources it would, of course, overweigh the service rendered to the farmer. But I am speaking from the point of view of the farmers to be served, in order that these facts may be given consideration in arriving at a conclusion. I am not prepared at the moment, the map being a very extensive one, to give definite data of the amount of produce to be expected. The data is not complete, and I have not a full map showing that. I am merely throwing out as a suggestion that this procedure might well be adopted when any lines are projected, that a township map be prepared showing the farmers resident on each quarter section within that ten-mile radius, and the amount of produce raised and shipped over the railway in the past two or three years. It would involve very little expense to the railway company or to the government. I have found in my own experience that farmers in the vicinity are only too willing to co-operate and give this information at their own expense if necessary. It would help the committee to form an intelligent conclusion as to the class of territory to be served and the amount of traffic which the road might expect to receive.

There is another point that I think is well worthy of consideration. I am not aware as to how far this projected development will alter the present terminal point. I do not know whether that point will come into consideration at all, but if it does I would like to point out this fact: Big Valley is at present the terminal point; it was constructed as the terminal point. The National Railways have there about a $300,000 development in terminal equipment. The town itself being built largely to house Canadian National Railway employees has provided facilities, educational and otherwise, for those employees. The employees themselves have property which they have purchased, their own homes, amounting to pretty close to $200,000. All of these things I think must be taken into consideration if it is proposed by this short routing to eliminate the divisional point. I have no objection to make if it is in the best interests of the railway that the terminal point should be moved, because I am not here to speak for the interests of one town as opposed to the interests of the system. But again I say, if it is proposed to move the terminal point, to abandon the one already in existence in favour of another, these facts must be taken into consideration—the amount of loss involved in salvaging the existing equipment, and the amount of compensation which must rightly be paid to the employees if they are removed from their present situation. I think all of these things should be taken cognizance of by the minister, and I hope to have his assurance that these points

have been well considered. If they have been well considered, and if it is found that it is more profitable for the railway, because of the shorter routing, to build the line as now projected, I for one have no objections to make. Warden is in my own constituency, just as is Big Valley, so it is nothing to me personally which point is chosen, but I do wish to see the greatest amount of service rendered to the country through which this line will run, and the greatest amount of benefit derived by the line running through that territory.

May I be permitted, in conclusion, to say that there are three things that must be taken into consideration in building branch lines. The first one, in which we will all agree, is that through bettering, cheapening, shortening existing routes for freight a saving would be made which will pay the interest and sinking fund upon the amount invested by that shortening, cheapening and bettering of existing routes. Second, is the immediate increase of tonnage to be expected from new construction? We are all agreed on that, of course. Then there is the possible increase in tonnage in the future, and when I speak of increased tonnage I do not mean only as applied to branch lines. I have heard many men speak of branch lines as though they should be self-supporting, as though a branch line should be able to show a profit throughout its short length; but to my mind that is not the important point at all. We have to consider every additional ton which can come over a short line and be transferred to the trunk line. We have to consider what that will mean not to the short line, but in its contribution to the trunk lines east and west. To my mind that is a very important point, and a point which some members and some people in the country overlook when they suggest that branch lines should be able to show a profit on their own operation.

Mr. MANION: Does not most of the traffic get on to the main line anyway?

Mr. SPEAKMAN: I have already stated that the justification would be the immediate increase of tonnage, or the increase of tonnage in the future by the development of the country. I am speaking of increase of tonnage which will find its way to the main line, not to a diversion of tonnage from one branch line to another.

There is another point that must be taken into consideration by this parliament, and that is where this railway differs from the Canadian Pacific or any other privately owned railway. We must take into consideration not only the indirect benefit to be derived by the railways but the direct benefit to be derived by the country by the retention of population and an increase in our national prosperity, brought about to some extent at least by more adequate transportation. A privately owned line does not need to take that into consideration, but I believe it is well for us in voting the money of the taxpayers to keep all these points in view. I believe this line will be a profitable line, for I know the country fairly well and the amount of freight that can be expected, but it is for the minister to consider, after taking all these facts into consideration, whether the treminus suggested is the best terminus under all the circumstances.

Mr. GRAHAM: My hon. friend has touched on two or three points that are of interest. The people in the vicinity of Big Valley made strong representations along the line that my hon. friend presents. I discussed it at some length with the chairman and with the engineer of construction, Mr. Czowski, and they adhered firmly to this as the best route from the railway standpoint, largely on account of the short hauling of coal. I have no information concerning the suggestion of moving the terminal. That would be a matter for the Canadian National Railway Board, and has not yet been discussed with me. If it has not been repealed, an act was passed by parliament some years ago providing for protection, in a measure, of those railway employees who might be moved from one terminal to another from loss of their property, and so forth. I imagine that law is on the statute book yet, I have had no occasion recently to look it up. However, I think the question of terminals was not discussed by the president of the board with me.

Mr. MARLER: Has the minister had the cost of this line confirmed? It seems very low to me.

Mr. GRAHAM: It is the cost given by the Canadian National Railway Board, and it is based on the report of their engineers.

Sir HENRY DRAYTON: Perhaps my hon. friend will give us a rough analysis of this proposition. It is an entirely new proposition. We should know how much is to be spent for right of way, how much for bridges, how much for fills, and how much for rails? If the matter has been at all properly gone into that information has reached the minister's hands.

Mr. GRAHAM: That detailed information has not been given to me, nor have I

attempted to give it to the House in the case of any of these bills. I have never in my life heard it given in detail in relation to any railway construction bill in this House, nor have I ever read of it being given in any other legislative body.

Sir HENRY DRAYTON: If such has not been the practice, it is time we started to get down to business.

Mr. GRAHAM: The memorandum I have here says:

> In 1924 it is proposed to grade 57 miles of this at a cost of $504,500 and in 1925 to lay track on this 57 miles of grade, and ballast 30 miles at a cost of $792,000. In 1926 it is proposed to ballast 27 miles at a cost of $148,500 thus completing the branch.

Mr. SPEAKMAN: In reply to the hon. gentleman (Mr. Marler) as to cost of construction being low, I can give information on that point. I know the territory well and the ground is very level and very solid. Construction can therefore be carried on at a comparatively low cost.

Mr. MEIGHEN: There is this feature of this line that makes it not quite so imperative as the four lines that have preceded: There is nothing at all done yet, this is an entirely new project. I am convinced from what inquiry I have made—I have not been over the territory, but I have been to within a very few miles of it and learned something about it—that the line should be built, and that it will bring sufficient revenue to justify its construction from the purely railway standpoint. However, I do not think it is as urgent as the four roads covered by the resolutions which have just passed the committee. I have also been urged very strongly with reference to the change in the route from that which I understand was originally contemplated. The reasons have been presented by the hon. member for Red Deer (Mr. Speakman), and I do not intend to rehearse them. If, however, there is to be a change involving the transfer of a terminal point or a reduction in the number of divisional points, it is going to be a matter of considerable cost to make good the losses of those who have invested their money in Big Valley, and I see no provision for that in the estimates before the House. It seems to me that it is not something that has to be rushed, and very careful review should be made again as to the wisdom of this change, also on the whole question of the extension. While I am convinced that ordinarily this line should be built and built immediately, these are extraordinary times and if there is one road in the list that could stand I think this is the one. I urge that consideration upon the minister, but certainly I am convinced the road is a good one and should be built.

Mr. GARLAND (Bow River): The last speaker, perhaps, is as conversant as we are with the fact that in this district there is a large settlement of returned men. Probably throughout that portion of my constituency there have been more returned men placed on the land than in any other single block. These men are having a tremendously hard time to make things go.

Mr. MEIGHEN: Where are they located?

Mr. GARLAND (Bow River): East of Rowley. If they cannot get reasonable railway facilities within the district within a short time it is questionable whether any one of them can stay. I have in my possession at this time answers to a large number of questionnaires and they indicate that one of the most serious causes of the present state of these men is the lack of railway transportation. I join with the last speaker in his very mild criticism of the transfer of the terminal point from Big Valley to Warden. Frankly I would urge that reconsideration be given to that decision. I do not want to place my judgment above that of the engineers in this matter, but I am under the impression that the Canadian National Railway management are guided in this matter by the desire to have a point to which they can have the shortest possible coal haul, leaving aside the possible economies that may be effected by allowing the terminal to remain where it is at Big Valley and where it is giving the best service.

Now, for a moment, allow me to consider the question of the situation of the people of Big Valley themselves. Injustice will unquestionably be done to them by the transference of the terminal point, and therefore the divisional point, from Big Valley to Warden. Last year I asked the minister some questions on this matter but he disclaimed responsibility for it. He pointed out that this was a question of railway policy he did not care to interfere with and he indicated just what the railway company was going to do. I had a discussion subsequently with some of the members of the board of management and they informed me that there was no intention at present to do anything with the divisional point at Big Valley. However, when I got back to Big Valley not much more than a month later, I found the place practically deserted, whilst a feeling of gloom had descended upon everybody there. About 148

Canadian National Railway employees own their homes and lots in the town, and the total assessment on these lands and improvements amounted to $182,100. A number of Canadian National Railway employees who came there in 1922, instead of purchasing lots and building residences lived in box cars, rented rooms, and did other things which were not in the interest of Big Valley on the strength of a rumour that the divisional point was to be removed. So serious a situation arose in consequence, that the town authorities wrote to Mr. A. E. Warren, General Manager, Canadian National Railways, Winnipeg and asked him if this rumour was true. They pointed out that it was essential to meet the liabilities of the school district, which at that time amounted to $31,700, that these men should take up residence in the town and become taxpayers. Mr. Warren replied under date of September 19, 1922, as follows:

Mr. FRED C. STOKES,
Big Valley, Alta.

Dear Sir,

Referring to your letter of August 21, addressed to the Canadian Northern Town Properties Company, Limited, Winnipeg, which was referred to me by Mr. Field, Land Commissioner, there is no intention of moving the terminal away from Big Valley, so that the rumour referred to cannot be used as a pretext for the employees not buying lots.

As a result of that letter a number of these men then purchased lands and proceeded to erect homes thereon. Not much more than two years later we find they are compelled to abandon their homes and take up jobs somewhere else. That is a serious injustice, and as an hon. gentleman said, no provision has been made to meet that unquestionable liability upon this government. I would ask the minister to take this question into consideration and to see to it that as close a scrutiny be made of this line and its terminal as is possible before the work is proceeded with. I think it is essential in the interests of the country that the work should be proceeded with and the line built. It is needed, but I think the terminal should be Big Valley and not Warden.

Sir HENRY DRAYTON: I suppose the minister's idea in regard to coal at this point was the coal from Brazeau. If I am wrong in that I would like to be put right. Surely it cannot be the Drumheller coal. It cannot be anything else but the Brazeau coal. Is that right?

Mr. GRAHAM: I am taking no exception to the statement.

Sir HENRY DRAYTON: I am asking as to the coal which is said to be one of the reasons, if not the main reason, for the building of the line. Is it the Brazeau coal?

[Mr. E. J. Garland.]

Mr. GRAHAM: I think there is no doubt about it.

Sir HENRY DRAYTON: What tonnage of that Brazeau coal moves to that point in the eastern direction?

Mr. STEWART (Argenteuil): The Brazeau collieries supply all the requirements of the Canadian National as far east as the first division.

Sir HENRY DRAYTON: I think it is a large tonnage and I want to find out what it is.

Mr. GRAHAM: I have not the figures, but I think I can get them.

Sir HENRY DRAYTON: One of the big questions in the handling of the western railway problem is that as to the distance from existing lines that new lines shall be built. I am not referring now to lines of different systems but to our own lines. I do not know that there is any real reason why the same consideration should not apply to other lines. What policy is being laid down by the directors as to the minimum distance for the construction of new lines for the purpose of giving the farmers service?

Mr. GRAHAM: In every memorandum I have read to-day in regard to stations the saving that would be made by the construction of the line in mile haulage has been given. In some cases it is twelve miles, in some cases less and in some cases considerably more. The conditions of the locality would have something to do surely with the length of haulage that would be considered a proper haulage, which would not deprive the producer of all profit that the property could make on account of the expense in hauling. I could not give my hon. friend the absolute data as to what ought to be the mileage because I do not know. In some districts where there were good roads the mileage could be longer and still be more profitable than in sections where the roads were bad, where there was a shorter haulage. I pointed out that in all the statements made to-day where grain growing and the question of haulage was being dealt with, the mileage from the producer to the railway was given, and the saving that would be effected by the building of the line under consideration.

Sir HENRY DRAYTON: I do not think the hon. minister is quite right in that statement. I do not know what is meant by the figures he gives. They just show the haul to the station—

Mr. GRAHAM: The statement shows the saving.

Sir HENRY DRAYTON: No. In one sense it does, and in another it does not. It shows the distance at the present time and the distance if the new line were built. But I was asking a different question. I was asking him what, in the opinion of the board, was the minimum distance for the construction of new lines for the purpose of giving the farmers service. We have to get down to some basic principle in this matter unless we are going to have political lines built here and there without any idea of anything except political profit. I would like to know the economic minimum distance in an agricultural district that railways can afford to be placed the one from the other. This is a matter which is absolutely at the foundation of any proper construction of prairie lines. Surely my hon. friend will have some idea on that question of policy.

Mr. GRAHAM: I will reiterate to a large extent what I have said. What would be a proper haulage with an idea of profit in one section would be altogether wrong in another section. For example, I might refer to some of the trails over which I have travelled in the West, and which were absolutely good roads. Fifty miles from there a man might have a 12 or 15 mile haul over a bad road. My judgment is based on inherent knowledge, the same as my hon. friend's judgment. Perhaps fifty miles from that same locality, where the roads are almost impassable, the haulage will have to be shortened, to be comparable with the haulage in the other districts. I do not pretend to be an expert on this, but I should say when a farmer has to haul his grain more than 10 miles to the railway he is at a disadvantage.

Sir HENRY DRAYTON: He is always at a disadvantage unless he is located very close to the line. Does the hon. minister think that Sir Henry Thornton and his board can possibly arrange their scheme of prairie branch lines on the basis of a ten mile haul that would give anything like fair play to the country as a whole? Does he know how many branch lines that would mean at the present time? We know these lines are urgently needed in places where people have to haul twenty and thirty miles.

Mr. GRAHAM: I think it would take very many years for us to complete railway accommodation that would reduce the haul to ten or twelve miles.

Sir HENRY DRAYTON: The minister spoke of ten miles a moment ago.

Mr. GRAHAM: Call it ten. My hon. friend can call it whatever he likes.

Sir HENRY DRAYTON: The minister said ten.

Mr. GRAHAM: I said ten miles and I will adhere to that. Unless construction is begun to reduce the distance of haulage the producers will never reach what is even approximately a fair haul. If we said we were not prepared to do anything because we could not give everybody a ten mile haul and left them all with a fifty mile haul, it would not be good for the country or the railways. We never can make the Canadian National Railways a success, leaving the producers out of consideration altogether, unless we are prepared to build branch lines as rapidly as we can, in order to converge the traffic to the main line of the Canadian National or to some of its lines. It cannot be all done at once. The present state of our development was not reached in a few years. It is many years ago since the Grand Trunk was built; it had its difficulties, and continued to have them. Then the Canadian Pacific Railway was constructed, but at that time there was not much discussion as to the length of haulage and the amount of traffic. Now we all know that its construction was one of the saviours of Canada. My idea is that while ideals are worth striving for, yet if we are to be pinned down to details as to what the ideal situation should be we will never make a start because such ideals never can be attained. It will take many years and a much more numerous population than we have to-day to bring about a state of affairs where the haul from the producer to the railway track will approximate the mileage that I have named. However, in many parts of the Dominion that desirable state of affairs does already exist, and I suppose that in the older part of Ontario the haul is not over ten or twelve miles. I feel that we ought to be generous, if we are to benefit by the experience of our forefathers. They worked hard in order that we might reach our present state of development. We have fairly good railway facilities in this province, and until the whole Dominion is equally well served, not only will there be few settlers—for they will not come unless we encourage them—but many of those already here will be likely to move out.

Sir HENRY DRAYTON: I have been very much interested and amused but not enlightened by my hon. friend's argument. In effect, he says that if we make ten miles the standard we will do nothing at all. I would think that looking back at our railway history —which must be extremely familiar to my hon. friend—the railway mess made in Ontario

under his government would convince him that it was worth while before undertaking further railway construction, to determine what the economic distance between line and line ought to be. It is true that we have many miles of lines in Ontario—lines that we will be paying for for many years to come—where we do not need them, and where, at the present time, the Canadian National Railway Board is taking up rails and disposing of right of way which cost this country millions of dollars. And why? Just because that simple little question, what is the economic necessity, was not first considered. But apparently a bad habit is very hard to eradicate.

Now, I have found when discussing this question with farmers throughout the West—and if my hon. friend does not know anything about it I am going to tell him my own experience—that they recognise—whether my hon. friend does or does not—that it is practically impossible to lay out railways on the basis of a maximum ten mile haul; and, further, that if it were done, in the great majority of cases you would have the whole country gridironed with railways, none of which could possibly pay. I found the farmer of the Northwest possessed quite enough sense to appreciate what would be the probable result. I have also found in most places—and when I was on the railway board I took evidence time and again as to these costs—in an endeavour to co-operate with the local people, because after all the cost ultimately falls on the farmer, I found pretty general agreement with the view that if we could arrange to build our branch railways so that the maximum haul would not exceed fifteen miles it would be all right. Many farmers have told me that mileage has to be considered having regard to each particular district, but that after all what really counted was whether you could draw your produce to the railway and get back again the same day; this they found they could always do if the haul did not exceed fifteen miles.

If my hon. friend really is sincere in wanting these branches constructed, why does he not furnish us with real business information? Why should there be any difficulty whatever if the board in dealing with it as a matter of business said: "There are just so many land sections between railways built at a given distance apart. In our view the closest distance is so-and-so, and we ought to try and give the people the best service possible, bearing in mind that limitation." Is that an unreasonable suggestion? Is it not something which in the first instance goes directly to the consideration of the whole subject? I would think so.

I would point out to my hon. friend that the next line proposed opens up the same territory. I think the committee ought to have information as to what is to be done with these two lines. There is an extension within a few townships into this section. Is the Loverna line to be carried through to the main line? If so, to what point on the main line? And if it is carried through, what justification is there for the construction of the other line?

Mr. CAHILL: Carried.

Sir HENRY DRAYTON: The hon. member for Pontiac says "carried." On what ground does he suggest that it is carried? Perhaps he would like to assist the committee. The minister himself has suggested that we call it six o'clock and that the committee rise, because he has not the information at present. Perhaps the hon. member for Pontiac has that information and is aching to unburden himself.

Mr. CAHILL: My hon. friend has himself already given all the information which any hon. gentleman might want.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 36, respecting The Northern Life Assurance Company of Canada.—Mr. McKay.

Bill No. 37, to change the name of Imperial Underwriters Corporation of Canada to "Imperial Insurance Office."—Mr. Chew.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

The House again in committee on the following proposed resolution, Mr. Gordon in the chair.

HANNA—WARDEN

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Hanna to Warden in the province of Alberta; estimated mileage including existing grading, 57 miles; estimated cost, $1,445,000.

Sir HENRY DRAYTON: We were trying to find out whether any general plan had been adopted as to the economical point at which further railways could be constructed, to see whether the board had considered economies at all in connection with their

proposals. If they did look at the matter from that point of view, what do they regard as duplication, what as paralleling, and what the reverse?

Mr. GRAHAM: I think when my hon. friend was chairman of the Board of Railway Commissioners he stated that as a matter of general policy there should be fifteen miles between railway lines.

Sir HENRY DRAYTON: Thirty miles—a fifteen mile haul.

Mr. GRAHAM: Well, I think my hon. friend is wrong about that, speaking offhand, but we can discuss that on any railway bill. With the lines thirty miles apart, to have a fifteen mile haul would mean that there would be a station opposite every farm, otherwise the farmer would have to haul east or west several miles in addition to his haul towards the railway line. If the lines were fifteen miles apart the average haul, I should think, would be ten or twelve miles. I am inclined to think my hon. friend did not put it at thirty miles, because that might mean more than a thirty mile haul, according to the territory.

Sir HENRY DRAYTON: My hon. friend is quite right. You can always find places where it will be a little more or a little less. It is not very hard to get stations—

Mr. GARLAND (Bow River): Try the Railway Commission and see if it is easy.

Sir HENRY DRAYTON: Of course, it costs a great deal more to look after stations and railways than it did. I am speaking of a time when conditions were perhaps somewhat different to those at present prevailing. I do not know exactly what it is like now, but I do know that the general underlying idea was—and of course stations had to be taken into account in that idea—if you have two lines only ten miles apart and no station within ten miles of either side somebody has to haul grain fifteen miles. When you talk about a maximum fifteen mile haul you are not talking about facts. Apart from refinements, and it is not necessary to do very much refining when apparently nothing is done at all, I wonder if any hon. gentleman in this chamber really thinks it is safe to go on building right and left without the slightest idea of what you are going to do with the line when it is built. Do not hon. members think that there should be some determining policy? You have to have stations here and there, but do you not think there should be some determining principle which would say that lines are not going to be built any more in Canada just for the fun of building them? We expect now that lines shall be built in such a way that they will return a revenue. The prairie country is pretty similar as a rule; the prairie country is pretty extensive, and it needs branch line accommodation more than any part of Canada that I know of. It lends itself more to railway construction than any other part of Canada I know of at the present time, but when you say all that, you have not said an awful lot. You are just recognizing the fact, and you have your limitations. You have your first limitation as to moneys available for railroads; your second limitation as to returns from railroads. I do not suppose anybody in this House wants lines built in the Northwest to-day that are not going to pay. If there are any there ought not to be. I do not suppose there is any gentleman in this House who wants one set of settlers to have lines within ten miles of each other, costing a tremendous lot of money, when other settlers, unless conditions have changed very much since I was on the Railway Commission, because I have been over the ground, are not fifteen miles but thirty or forty miles from the railway. Surely what ought to be done is to try and do justice to everybody to the full extent possible and in order to do that we have to arrive at some reasonable policy.

Mr. GRAHAM: I agree largely.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 44, respecting the construction of a Canadian National Railway line between Hanna and Warden, in the province of Alberta.

Motion agreed to and bill read the first time.

LOVERNA EXTENSION

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Loverna, in a generally westerly direction, to a point in township 32 or 33, range 9, west of the 4th meridian, in the province of Alberta; estimated mileage including existing grading, 50 miles; estimated cost, $1,192,000.

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

Sir HENRY DRAYTON: What is the memorandum on that?

Mr. GRAHAM: It is as follows:

Loverna Extension, Mile 0—50	Cost
Proposed in 1924—20 miles grade..	$ 146,800
Proposed in 1925—30 miles grade; 50 miles track; 30 miles ballast..	935,200
Proposed in 1926—20 miles ballast..	110,000
	$1,192,000

In 1924 it is proposed to grade 20 miles at a cost of $146,800, and in 1925 to add 30 more miles of grade and to lay track on 50 miles, and ballast 30 miles at a cost of $935,200 for that year. And, in 1926, to finish the line by ballasting 20 miles at a cost of $110,000.

The line runs through a good district susceptible of wheat raising and mixed farming, and there is already considerable settlement and development in this area.

The justification for the construction of this line is that it is estimated that 1,500,000 bushels of grain will be produced off it annually, besides 305 cars of in and outbound freight, consisting of live stock, coal, lumber and merchandise. On the average, 16 miles road haul will be saved to the farmers, and this taken at ¾ cents per bushel per mile hauled, on the 1,500,000 bushels estimated to be produced, would be a saving to them of $180,000 per year on grain haul alone.

Sir HENRY DRAYTON: How do you get at that saving on the farmers' haul of sixteen miles? I would be very interested to learn how that conclusion is arrived at.

Mr. GRAHAM: That is the statement given me by the engineers of the road. They figure it at ¾ cents per bushel. I imagine in some cases it would be much more than that.

Sir HENRY DRAYTON: Do the engineers always take the maximum distance and apply that as the average?

Mr. STEWART (Argenteuil): That would not apply in this case because this line runs directly between the Canadian Pacific railway and the Goose Lake line of the Canadian National. It is an extension of the Grand Trunk Pacific line from Biggar, which ends at Loverna on the boundary line between Alberta and Saskatchewan. This is a projection between the two lines approximately twenty miles from either.

Sir HENRY DRAYTON: Is the minister sure it is twenty miles from both?

Mr. STEWART (Argenteuil): Approximately. I know the settlement very well.

Sir HENRY DRAYTON: I would have thought it would have been a good deal nearer than that. At any rate I think the minister is right, that what they have done is to take the maximum in arriving at their average, and he defends that course because the line is put down the centre. That may be right. It may be a good reason. It may be based on good engineering but it is certainly a novel one. It is proper to ask how many more transactions of the same kind have happened? I will ask another question. We have had the amount of grain to be hauled. I want to know how much of that is new grain, and how much is grain already produced and handled on the line?

Mr. STEWART (Argenteuil): They have been growing grain in that locality for the past fifteen years.

Sir HENRY DRAYTON: I know it.

Mr. STEWART (Argenteuil): It is not a nice piece of country to haul over because it is cut up by creeks. Many farmers have left the locality notwithstanding the fact that they have raised very large crops. The estimate of three-quarters of a cent per bushel for haulage is a very low estimate.

Sir HENRY DRAYTON: The minister has not answered the question I asked.

Mr. STEWART (Argenteuil): What was the question?

Sir HENRY DRAYTON: I thought it was pretty plain. Is the quantity of grain under consideration here the quantity that is now produced or does it merely cover the amount that will be produced? That is all I asked.

Mr. STEWART (Argenteuil): Undoubtedly, when the railway goes in the amount of grain produced will be doubled. I may tell my hon. friend that the district has been settled for the past fifteen years. Furthermore, settlement went into the locality because of the stakes that were there, as it has gone into many other localities, and the people have patiently waited all these years for railway construction.

Sir HENRY DRAYTON: I have not got an answer to the question yet.

Mr. STEWART (Argenteuil): Grain is grown there. It has been grown for more than fifteen years. Is that the information my hon. friend wanted?

Sir HENRY DRAYTON: No. We have had an amount of grain stated. Is that the amount which will be produced?

Mr. STEWART (Argenteuil): One million bushels? I should say four or five million bushels. Let me say to my hon. friend that one station in a territory where grain is being grown will produce one million bushels itself.

Sir HENRY DRAYTON: Then that statement is entirely incorrect.

Mr. STEWART (Argenteuil): I think it is very conservative.

Mr. GARLAND (Bow River): May I say to the minister that I believe the estimate with regard to the number of bushels that will be produced in this territory is entirely too low. I know the remarks of the Minister of the Interior are prompted by a knowledge of the conditions out there, a knowledge which I think the ex-Minister of Finance lacks. For example in my constituency one place, the town of Gleichen, shipped this year a million bushels. The town of Vulcan shipped two million bushels, and there are many points, especially in this portion of the province from which that amount was shipped. That production could undoubtedly be doubled if conditions were created that would keep the farmers in that part of the country. The want of population is largely attributable to lack of transportation facilities. That want will continue until the lack is supplied. The resolution provides for the construction of a line running from Loverna in a generally westerly direction. Would the minister have any objection to informing the committee just where the destination of the line is to be?

Mr. STEWART (Argenteuil): The original destination of this line, as my hon. friend knows, was Calgary and the original idea was that it should be a Grand Trunk Pacific branch line. Since the amalgamation of these roads, Hanna would be the terminus of this project.

Mr. GARLAND (Bow River): That is what I was afraid of. I register as powerful a protest as I am capable of against Hanna being used as the terminus for this branch line. There is an enormous territory north of Hanna which is suffering for want of transportation, I mean the country round Dowling lake, Long lake and so on. It is well settled, the land is excellent for agricultural purposes. The settlement went in there under the promise and expectation that this line would be built, and built long before now. If this line runs down to Hanna, and you have the other side of the triangle running from Hanna to Warden, you will have an enormous triangular area south of the Canadian Pacific the centre part of which will be 25 miles or more from the railway itself. That can be entirely eliminated by continuing the line westerly and meeting the Hanna and Warden line, at a point 20 miles south of Warden, or if the engineers considered it advisable running into Big Valley. I am sorry there is no map on an adequate scale in the chamber so that I could point out the situation to members of the committee. However if they look at one carefully they will realize the practicability of the scheme as I am outlining it. I understood last year from the management of the Canadian National Railways that it was their intention to run this line from Loverna to a point about 20 miles southeast of Warden. That is all right. If it is decided to go to Warden that is the logical end of the line. But to run the line to Hanna would be perfectly absurd. It would leave the greater part of that territory still unsupplied with transportation facilities, and I protest against any such action.

Mr. MEIGHEN: As far as this line goes I think it ought to be built. I must say that I base my conclusion more on facts within my own knowledge than on any facts supplied by the minister from the directorate. Indeed I am convinced from the whole material presented by the minister from the directorate that the latter know very little about any of these lines, and I think hon. members who are supporting them are doing so more on the basis of their own knowledge than on any information supplied them in this way. It is said that 1,500,000 bushels of grain will be produced and delivered to this line. Well, it is obvious that there ought to be three or four times that amount —five times possibly and four times anyway —produced. I have not the least doubt there would be. But 1,500,000 bushels is the amount given us in this information. Then the statement goes on to say that the hauling of this grain, estimated at three-quarters of a cent per bushel, would save on the average of sixteen miles of road haul, therefore saving the farmers $180,000. You really could not have greater humbug than that. As to the haulage the average man would save, sixteen miles would be the maximum saving for anyone. A few might save a little more but it is obvious, by looking at the map, that there would be ten per cent save sixteen miles, and the other ninety per cent would save anywhere from sixteen miles down to one mile. How anyone can suggest that the average farmer would save a sixteen mile haul and state it seriously, is something I cannot understand. As represented to me, not by one but by many, because of the far greater amount of grain that will be produced than is stated here, the average saving in the hauling applied to all that grain, say of eight or nine miles, would represent the amount stated here. I

only call attention to this matter to show how utterly unreliable this data is. This has been supplied, I suppose, by some engineer, certainly not by any practical man.

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: Certainly not a practical man for deciding how much grain is going to be delivered to a railway, and how much is going to be saved in delivering it. If the National Railway is dependent on this kind of data to decide what to do I think parliament will have to apply its own intelligence and apply it very closely. My judgment is that this whole programme is not really based on the opinion of the National Railway directors at all. It is based on representations that have been made to the government from the district, and I venture to say mostly representations by members of parliament. They have taken it up with the directors, and after the whole thing is through the directors have come to a compromise with them, and so it goes. Consequently, we are really called upon, in respect of every single line, to bring to bear our own information and local knowledge, and without that we would be pretty much in the dark. I hope that later on some means can be taken to lay more directly before each and every member who has not the advantage of local knowledge some statement of the situation, because as we stand to-day it really is not fair to hon. members to call upon them to support this proposition. The facts are not before them.

Mr. GRAHAM: I do not want to raise any controversy at the present time over the general practice in regard to information given by the government when asking for a grant of money to build branch lines. I submit this statement, however, with unqualified confidence: that a greater amount of information has been given on each one of these lines than was given in regard to the branch lines project in 1920.

Mr. MEIGHEN: The minister was not in the House.

Mr. GRAHAM: This is one of the times when, fortunately, Hansard talks, but I do not want to raise the question now because I want to get the resolutions through and build these lines.

Mr. MEIGHEN: My point is that the information given is not dependable.

Mr. GRAHAM: Then my hon. friend would say that no information at all would be better.

[Mr. Meighen.]

Mr. MEIGHEN: Yes, rather than this information.

Mr. GRAHAM: That would be the only defence they could have for the procedure in 1920 because they gave no information whatever.

Mr. MEIGHEN: They gave all that was asked.

Mr. GRAHAM: I will show it to my hon. friend. Here is the branch line programme. It was in the estimates but not so stated. I mean that the lines were not in the general estimates, if my information is correct. There was a great deal of discussion. I was not present, but at page 4232 of Hansard of June 25th, 1920, there is considerable discussion about the branch lines. One hon. member says he is only going to discuss the Hudson Bay railway, and another hon. member wants some information as to the Humboldt-Melfort branch, and the reply of the minister, Mr. Reid, was:

> I can give a list of the lines I have here. The Humboldt-Melfort has a grade of 5.4 and a 32 track.

Then Mr. Campbell asks:

> Will that complete the line between Humboldt and Melfort entirely?

And the minister replies:

> I understand it will.

Then the hon. member for Pontiac (Mr. Cahill) asks this question:

> I think that if the minister would give us the details of the whole of these lines it would be more instructive to hon. members. The statement could appear on Hansard.

Then follows the information with a list of the lines:

Line	Work to be done 1920	
Line now under construction	Grade	Track

Then we find a statement of the different lines and the grade and track. There may be some information somewhere else. I have not been able to find it. The statement of the minister here gives the amount of grading to be done and the amount of track. As far as I can find out, it does not give the terminus or the starting point, but that will be in some particular some place else. The cost of some of these lines is not in this list at all. This list just gives the mileage and there is absolutely no information in it.

Mr. MEIGHEN: The practice was to lay on the Table detailed data which did not appear in Hansard, because it was laid on the Table, but it was available for every member. Information was never denied. It will be re-

called also that in those cases the money was voted separately in the estimates, and debates took place as well.

Mr. GRAHAM: This is when the estimates were up.

Mr. MEIGHEN: Yes.

Mr. GRAHAM: No resolution, because they were in the estimates.

Mr. CLARK: A great many of us who are in the House to-day were not here in 1920, and if the opposition of that day did not see fit to get the proper information they simply were not doing their duty by the country.

Mr. GRAHAM: Was the government doing their duty by not furnishing the information?

Mr. CLARK: I am relying on the statement of my right hon. friend (Mr. Meighen) who says the data was laid on the Table. Apparently it was not inspected by the opposition of that day. The opposition did not deem it necessary in the country's interest to make a study of the data, and consequently the Branch Lines Bills, I suppose, went through without any particular study by the then opposition. But to-day we have a different opposition, and so far as this particular member of the opposition is concerned, I propose at least to oppose these branch lines until we get data which is reliable and accurate. All any hon. member has to do is to go to the Table and look at the map and he will see that an absolute misrepresentation has been made by the engineer. I do not connect the minister with it, because he is simply reading the report of the engineer; but any engineer who cannot make measurements on a map to scale should not be in the employ of the Canadian National. As far as I can see, you cannot find any point along the line of that railway, if the railway is fifty miles long, where the distance would be fifteen miles from the railway, and yet the engineer says that the average distance that any farmer will save in haul will be sixteen miles. The thing is absolutely ridiculous, and I am astonished that an engineer should think he could put it over in that way.

Mr. JACOBS: That may mean eight miles coming and eight miles going.

Mr. CLARK: Even taking it in that way, coming and going it would be impossible.

Mr. STEWART (Argenteuil): I do not think the engineer had anything of that kind in his head, but undoubtedly he had in mind what is a fact, that the people to-day are hauling more than fifteen, sixteen and eighteen miles.

Mr. CLARK: On an average?

Mr. STEWART (Argenteuil): Yes. Across the locality where the line is projected. He is not speaking of what will happen if the line is built.

Mr. MEIGHEN: Yes, he says so. He does not say they are hauling that distance; he has no doubt they are hauling more, but he says on an average sixteen miles road haul will be saved.

Mr. STEWART (Argenteuil): Yes, of course. Why would not sixteen miles be saved if they are hauling eighteen and twenty miles now? Of course, it will be saved.

Mr. MEIGHEN: On an average?

Mr. STEWART (Argenteuil): Yes. I know the locality very well.

Mr. MEIGHEN: Is the road going to everybody's doorstep?

Mr. STEWART (Argenteuil): No, that is not the intention at all. It is not the intention to go near anybody's doorstep. It is going along the projected line that was surveyed years ago. I see no change in the map. I informed the House that a great many settlers went in there under the promise that that line would be built the next year. Now to the south of that is a creek, and a very mean crossing to go to the Goose lake line of the Canadian National, and as a matter of fact the farmers for ten or twelve years have been hauling twenty miles to the Canadian Pacific railway to the north.

Mr. MEIGHEN: More than that.

Mr. STEWART (Argenteuil): I want to be well within the mark.

Mr. MEIGHEN: What would be the average haul if the road were built?

Mr. STEWART (Argenteuil): Probably not more than eight miles.

Mr. MEIGHEN: So that the average haul before that must have been twenty-four miles.

Mr. STEWART (Argenteuil): Yes, in some cases.

Mr. MEIGHEN: But was the average twenty-four miles before?

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: I should say not. How could the difference be sixteen on an average?

Mr. STEWART (Argenteuil): My hon. friend is very picayune about averages.

Mr. MEIGHEN: No.

Mr. STEWART (Argenteuil): I assert that what the engineer stated is an absolute fact.

Mr. MEIGHEN: It cannot be.

Mr. STEWART (Argenteuil): Of course it is. My hon. friend talks about averages—I say that for fifteen years men have been hauling their grain anywhere from fifteen to twenty miles to the Canadian Pacific line.

Mr. BRISTOL: When was the road first promised, and by what government?

Mr. STEWART (Argenteuil): When the road was projected from Biggar to Loverna.

Mr. BRISTOL: By our old friend Sir Wilfrid Laurier?

Mr. STEWART (Argenteuil): There were a lot of promises made but not by Sir Wilfrid Laurier. He was followed by Sir Robert Borden, who made many promises from the tail-end of a railway train.

Mr. BRISTOL: That is a very unnecessary statement. I simply asked by whom the road was promised.

Mr. STEWART (Argenteuil): My hon. friend invited the answer; he has got it.

Mr. BRISTOL: No, I asked by whom was this road promised.

Mr. STEWART (Argenteuil): It has been promised for fifteen years.

Mr. CLARK: Mr. Chairman, may I finish my remarks?

Mr. McCONICA: Mr. Chairman, I am quite familiar—

Mr. CLARK: I rise to a point of order, Mr. Chairman.

The CHAIRMAN: Order.

Mr. CLARK: I was speaking when the Minister of the Interior interrupted me with a question, and I have not had a chance since to conclude my remarks.

The CHAIRMAN: The hon. member gave way to the Minister of the Interior.

Mr. CLARK: To allow him to make a remark.

The CHAIRMAN: That is not a point of order. The hon. member for Battleford (Mr. McConica) has the floor.

Mr. McCONICA: Mr. Chairman, I am quite familiar with the country through which this railroad would be constructed. There seems to be some controversy as to how far men are hauling their wheat there to-day.

A glance at the map will show that we do not have stations at every crossroads in that country. After a man strikes the railroad he has to go down five miles to the nearest station to unload his wheat. His haul is from his home to the nearest elevator, and as the elevators are ten miles apart his haul cannot be estimated by figuring it from a certain point to the nearest railroad. I know that people went into that country fifteen years ago expecting this railroad to be built. It is an excellent farming country, and not only will this road be called upon to haul out wheat but to bring in coal from the Drumheller district to supply the country from Loverna to Biggar. That coal now comes by a roundabout route. This line will put us eventually in direct connection with the coal fields, and the freight will be an exceedingly important source of income. Certainly, the road should be built. It seems to me that it is good sensible economy to build it now, because otherwise the people cannot stay there much longer. Many have already gone out, but they will come back if railway facilities are provided. The country is capable of producing far more wheat than is shown by the estimate, and will furnish an abundance of traffic. I think the road should be built, and built now.

Mr. MEIGHEN: I want to try to make clear to the minister—I really think it is clear to everybody else—what I was arguing before. He allowed his anger to get the better of him, and his arithmetic retrogressed as his anger increased. First of all, I would explain that I am not opposing the road.

Mr. GAUVREAU: That is better.

Mr. MEIGHEN: What does the hon. member say?

Mr. GAUVREAU: That is better. It is not what we understood when he started.

Mr. MEIGHEN: I am sorry. I know the hon. member understands English very well, and I have said that three times before.

Mr. GAUVREAU: The hon. gentleman has such a peculiar way of surrounding everything he says that we do not know on what foot he stands.

Mr. MEIGHEN: I do not catch my hon. friend's remark, but he evidently would like to escape this question of addition. What the engineer says, and bases his whole calculation on, is that the average road haul will, after this road is built, be sixteen miles less than it was before. Now, I stated that patently that was nonsense. The minister does not seem to see that the saving in the

average road haul must be the difference between the average road haul before and what it will be after the railway is built. He put the latter road haul at eight miles. I do not think he is very far out, but if anything, he is low. So the average road haul before must have been twenty-four miles. But admittedly twenty-four miles is the maximum. Therefore, his figures are simply foolish; that is all. I do not say that the estimates will not be borne out, but that is merely because he made as big an error one way in being too low as he made the other way in being too high. The other error is that the estimate of the grain to be grown is far too low. I venture to say there is more grain grown now. I hope I have made clear to the minister that whoever this engineer is he has disclosed such errors that we cannot depend on his calculations at all. He may have meant something different from what he said; but if he did mean what he said, he did not know what he was talking about.

Mr. STEWART (Argenteuil): I am not going to quarrel with my hon. friend about averages.

Mr. GARLAND (Bow River): Mr. Chairman, continuing the protest I made to the minister—to which he has paid no attention whatever—may I read to him from the memorandum of an association that was organized in the winter of 1921 throughout all the municipalities east of Big Valley, a territory which is entirely ignored, according to the Minister of the Interior, in the completion of this line? The association so organized became active in 1922 for the following purposes:

To draw the attention of the government to the fact:

1. That the settlers within this area have waited over twelve years since the first survey was made.

2. That the area described is well and extremely productive as shown by the last census returns.

3. That this extension would assist in the development of two coal fields of exceptional promise.

The association advised the farmers to assist the government in building the road, and I simply wish to quote their figures to indicate to the House their deadly earnestness. They made the suggestion, and bound themselves by agreement, to offer to the Grand Trunk Railway Company, if the company would only permit them to build the road, a bonus on a sliding scale as follows:

Each man who lived from one to two miles distant from the railroad would pay $60 per quarter section; from two to three miles distant, $50 per quarter section; from three to four miles distant, $40 per quarter section; from four to five miles distant, $30 per quarter section; from five to six miles distant, $20 per quarter section, and from six to seven miles distant, $10 per quarter section.

This shows how far these men were willing to go in helping to build the line and how anxious they were to see it undertaken. That offer was rejected; why, I do not understand. But may I say to hon. members that the financial ability of those men to-day to renew that promise is gone, but the spirit which then animated them is still there. But they will not and cannot stay in that territory if the line to Big Valley is not put through. Therefore, I should like an assurance from the minister that he will take up the matter earnestly with the management and have the line completed.

Mr. GRAHAM: I apologise to the hon. member for neglecting him, but only one speaker can have the floor at a time, and I have not had a chance, this question of averages having got away beyond me. I am glad to get back to the railway. I understand that the point at which the line suggested is to join the other line has not yet been determined, which allows full opportunity for representations to be made to the board. Formerly, these were competing lines. To-day, the management is trying to co-ordinate and use all the lines to the fullest advantage and so secure as direct a route as possible. I will certainly bring to the attention of the board what my hon. friend has said, and I think I may safely tell him that up to date it has not been decided at what point on that line the connection will be made.

Mr. GARLAND (Bow River): I was simply going on the suggestion of the Minister of Interior (Mr. Stewart, Argenteuil) that he thought that Hanna was to be the terminal point.

Mr. STEWART (Argenteuil): That assertion is based on the fact that the line is following identically the old survey. I know the situation as outlined by my hon. friend and undoubtedly the settlement of Dowling Lake is important.

Mr. GARLAND (Bow River): The Minister of the Interior knows enough about the situation to be able to endorse everything that I have said. I see he nods his head, and I am glad to have his approval. It is quite true that the original survey did run to Hanna but since that time there have been three other surveys, one north of Drumheller between Rowley and Morrin, another running into Big Valley, and now, as I understand, a fourth running into Warden. It is clear therefore that there are contemplated a number of surveys, and I sincerely trust that Hanna will not be the one that will be followed.

Mr. GARDINER: I can support all that has been said by my hon. friend (Mr. Garland, Bow River). I think the Minister of the Interior will remember that when he was Premier of the province of Alberta I headed a deputation requesting his government to allow the people to tax themselves for the purpose of assisting this particular branch line when it was under the jurisdiction of the Grand Trunk Railway. The area to be served is very well populated and has been considerably developed. I took a trip through the district last fall and I am sorry to say that I discovered that many of the settlers had left because they had no railway communication at hand. In discussing this matter with the people in that particular district I was informed by many of them that during the fall they had to make trips to the Canadian Pacific Railway on the north at a cost of from $8 to $16 a trip to carry a load of grain.

Mr. GRAHAM: How many bushels?

Mr. GARDINER: About 120. You can understand that under these circumstances it is impossible for these people to remain in that locality very much longer unless they get this branch line, and get it at the earliest opportunity. These people have been very patient and have made many pilgrimages to Winnipeg to induce the officials to build this branch line; and knowing the district as I do I am satisfied that this particular piece of railway will be a very profitable one. There is available annually a quantity from four to six million bushels of wheat throughout this territory, and naturally there would also be other freight in addition to grain. As regards the terminus of this particular branch, I suggest very respectfully to the minister that in discussing the matter with the board he decide not to run into Hanna. In my opinion the line should be kept further north in order to afford the people in that part of the country the accommodation which they so badly require.

Mr. CLARK: When does the minister expect to have the detailed information regarding this line and others as well?

Mr. GRAHAM: I think I can safely say that the information which I have been giving to the House in connection with these resolutions is somewhat more detailed than I can recollect having been given to parliament before. Of course, I need not say that I want to give to hon. members all the information that is available; there is nothing to hide but rather everything to gain in so doing. I might suggest that the information I am giving is rather modest in that the grain that will be available in these districts, it is suggested, is about three times as much as the railways have estimated.

Mr. CLARK: I think it has been clearly indicated that the information which the minister has given us is so inaccurate as not to be accepted.

Mr. GRAHAM: Not at all; on what point is it inaccurate?

Mr. CLARK: On the question of average distances.

Mr. GRAHAM: Let me answer that point.

Mr. CLARK: If I may resume afterwards.

Mr. GRAHAM: Certainly. Some hon. members who have not listened carefully to the statements that I have made have jumped at the conclusion that the engineers reported that the saving in the distance would be so many miles. That is not what the engineers have said, nor is it what I have read. If one is figuring a rate, say, on coal from Alberta some provision must be made for getting the empty cars back. So that the rates are based not altogether on what it takes to move a certain quantity from one point to another; if that were all, then the provisions for traffic would run out in a short time. The vehicles have to be brought back to the point of shipment and therefore allowance must be made therefor. Some hon. gentlemen laughed when one hon. member said that the men with the teams had to drive back eight miles; and what I am pointing out to the committee is that if there were nothing for the farmer to take back the cost of the haulage of his grain must include the trip going as well as coming.

Sir HENRY DRAYTON: In some of the other cases it certainly was not figured on any such basis. Will the minister tell the committee that in some of the other cases we have dealt with the engineers were taking into account the haul both going and coming? I am not referring to cost; my hon. friend's reference to that question is entirely beside the mark and he knows it. What I am referring to is the length of the road haul upon which the engineer is basing his calculations; and I want the minister to state on his responsibility what is meant in the reports when the road haul is mentioned. Is it to the station and back, or simply to the station?

Mr. GRAHAM: I cannot say what was in the engineer's mind.

Sir HENRY DRAYTON: I know you cannot.

Mr. GRAHAM: If I were figuring the cost of hauling I would figure both ways, including the empty conveyance going as well as the full load. And any sane man would do the same.

Mr. CLARK: Does the estimate of three quarters of a cent per bushel per mile apply to the 8 miles or the 16 miles? In other words, is it going or coming, or both?

Mr. GRAHAM: I have stated the case as clearly as I can. The ex-Minister of Finance (Sir Henry Drayton) said that it had nothing to do with the question of cost, while my hon. friend (Mr. Clark) says that it has.

9. p.m.

Mr. CLARK: I am not saying anything.

Mr. GRAHAM: I stated a moment ago exactly what the case was, no matter what the engineers may have had in mind; and that is, that the cost of haulage would include going as well as coming.

Sir HENRY DRAYTON: We might as well try to be fair with each other in this matter. There is a question of cost which is based on length of haul. There is cost coming and going, there is no dispute about that, and when you come to count your cost coming and going you would have a right to some allowance at both ends, unless, as the Minister of Interior, I think, said, you are getting something back in a return haul. But that has to do only with distance. It may be that the hon. gentleman is quite right if he wants to double costs for the haul. But I want to see whether as a matter of fact we can rely upon anything in connection with these estimates. When it is said that the haul to the railway is a given number of miles, does that mean distance or does it mean return journey? Which way are we to read these reports? Surely my hon. friend understands that. Surely that is something we ought to know. The ordinary acceptance of the term is that distance is distance and does not cover return mileage. Unless we know how to read these reports we cannot give any intelligent consideration to the matter. Are we to have a different reading for every single report, according to the exigencies of the case?

Mr. CLARK: I want to read the statement the minister made with regard to the road haul. Whether there has been an attempt to do it or not, I think the members are confused as to just what the saving will be. I have examined the map which is on the table and so far as I can judge the maximum haul would be about seventeen miles, and the average would be very much less—not more, I should think, than six or seven miles. Now, this is what the statement says that the minister read to the committee:

> On the average, sixteen miles road haul will be saved to the farmers,—

That might be taken the way the minister interprets it, if it stopped there; it might be both ways, eight miles going and eight miles coming. But taken with what follows I say his interpretation is an impossible one. What follows is this:

> —and this taken at ¾c per bushel per mile hauled—

So that it reads as follows:

> On the average, sixteen miles road haul will be saved to the farmers, and this taken at ¾c per bushel per mile hauled—

That means the number of miles you haul the number of bushels you have on your wagon; it cannot mean anything else. Any other interpretation, I contend, is simply ridiculous.

Mr. KELLNER: Do you think you do not have to haul the wagon back?

Mr. CLARK: Absolutely, but you do not haul the grain both ways, and that is what this statement says. The reference is to the bushels that are being hauled, not to the return of the empty wagon. It is as clear as the English language can make it. If the committee is to be properly informed about these branch lines we must have before us those who know something about the matter. I would like to know whether the minister has seen the profiles or the plans for these railways.

Mr. GRAHAM: Why should he see them? I do not build railways. I am not a railway builder.

Mr. CLARK: There you are. I would like to see the plans and profiles. I would like to see what the grades are like, for instance. If I could see the profiles and had a report on the surrounding country I would have some idea, ignorant though I am on railway building, whether it was feasible to put a railway into this country. It is true that it is easy to build railways in the prairie country, but we have other country besides prairie country. I know of areas on the prairie into which I think even hon. gentlemen on my left would not be enthusiastic about building a railway. We have all seen country on the prairies where none of us would want to put a railway if it were not for the fact that we have to go through it.

Mr. KELLNER: Will the hon. member explain what is meant in railroading by "ton car mile"?

Mr. CLARK: I cannot hear my hon. friend, but from what I make of his question I do not think it has anything to do with what I am discussing. If my hon. friend wants a discussion on that perhaps he can get some of his fellow members to go outside and talk about it. I am trying to stick to the question now before the committee, which has reference to these particular branch lines. As I say, I think the only feasible and sensible thing to do is to bring down the plans and profiles and have these engineers appear before a committee—these engineers who so obviously, to my mind, make incorrect statements, as shown by the map the minister has placed on the Table. If we could get into committee with the plans and profiles before us, with decent maps, with witnesses who know the country and who can tell us whether these things are necessary, it might be plain sailing, and perhaps we could support all these proposals. As it stands now I cannot see how I can support any of them unless I happen to know personally the country that the particular line goes through, and I think if members are honest with themselves they must come to the same conclusion. I do not see how they can support a proposal to expend millions of dollars for a line of railway they know nothing about.

Mr. STEWART (Argenteuil): It is rather amusing to hear the hon. gentleman talking the way he does, after our sitting with our hands folded the other evening and listening to the statements made from that side about the wonderful country through which the proposed railway lines were to run in British Columbia. We took the word of hon. gentlemen opposite—

Mr. CLARK: Mr. Chairman, may I—

Some hon. MEMBERS: Order.

Mr. STEWART (Argenteuil): I intend to keep the floor.

Mr. CLARK: If my hon. friend will permit me—

Some hon. MEMBERS: Order.

Mr. STEWART (Argenteuil): We took the word of hon. gentlemen opposite on that occasion—

Mr. CLARK: I would like to say—

Mr. STEWART (Argenteuil): And for the benefit of my hon. friend I will say that I am prepared to take his word again about his own country.

Mr. CLARK: I did not speak on that occasion, if you will remember.

Mr. STEWART (Argenteuil): I noticed that you did not speak; that was very evident. There was not very much information asked for, so far as I observed. I have known this locality for about twenty years; I had the honour of representing it for four or five years. The residents in this locality went to the local government and pleaded that they be permitted to build the line themselves in order to prevent the people from leaving that country. Surely if my hon. friend is looking for evidence he has it at first hand from responsible representatives of the locality which the railroad passes through.

Mr. CLARK: They generally tell us what is politically expedient.

Mr. STEWART (Argenteuil): That may fit in the other direction just as aptly as it fits here. We have been in the habit of accepting the word of hon. gentlemen in this House in respect to matters affecting their own localities, and I think we may continue to do so. My hon. friend is seeking to make a mountain out of a mole-hill. He has had the assurance that this is a good locality from half a dozen members who know it intimately. There are areas in every part of the country where the land is inferior in quality, but this land is not of that type. It has been settled during all that period and I know of my own knowledge of at least six who left that territory and abandoned a section five years ago because they were unable to make a livelihood on account of the long haul which they had to make of their produce to market. To quibble over whether there is an average haul of so many miles or whether this line is warranted—well, I think we have long passed that stage with reference to this particular line.

Mr. CLARK: I am astonished at the statement made by the Minister of the Interior. I did not say that the country through which this line runs was not a good country. It may be the best in the world. What I am objecting to, and what I still maintain just as strongly as I maintained it before, is that the information put before this House not only with respect to this particular line but with respect to them all is inaccurate, and

incomplete. As for the insinuation that I have cast a reflection or a doubt upon the word of any member of this House, that is beneath the hon. minister. He does not believe it, and I am surprised to hear him make such a statement. I cast no doubt on the word of any hon. member.

Mr. STEWART (Argenteuil): I made no such insinuation. If my hon. friend will allow me—

Mr. CLARK: I permitted the minister to interrupt me once before, but he did not reciprocate when I wanted to interrupt him.

Sir HENRY DRAYTON: Ruled out of order.

The CHAIRMAN: No one was ruled out of order. There was no point of order raised.

Mr. CLARK: I think I have stated what I wished to say to the minister and to this House. I cast no reflection on the word of any hon. member. The hon. member for Battleford (Mr. McConica) to my mind gave me more information than both the ministers opposite, despite the fact that these gentlemen are supposed to come to this House armed with all the facts and are supposed to give to hon. members representing the constituencies through which these lines will run, as well as to the rest of the committee, all the information that is required. But we find the ministers know nothing about it; they give us information which is wrong, as is shown by the map, and they have to be corrected by members over here; then they ask us to accept the explanation given by the members for the constituencies concerned. I say that is most unsatisfactory. The only way we can get down to business and get the facts is by bringing the engineers, and if necessary the president of the road, and his directors if they know anything about it, which I doubt very much, before the committee so that we can find out whether the information the minister is giving us is correct or whether the information given by the members representing the constituencies through which these lines run is correct.

Mr. GARLAND (Bow River): Possibly I can assist my hon. friend (Mr. Clark) with regard to this rate per bushel business. The custom in that country when a man is hired to haul grain is not to ask him how much he will haul it for per mile, but to ask him how much he wants to haul the grain say seven miles, and the man who is undertaking to haul the grain always takes into consideration the two-way haul, not simply the one-way haul. I am afraid my hon. friend has not lived in that part of the country long enough to understand either the conditions there or the practice in connection with contracts for grain hauling.

Sir HENRY DRAYTON: I think perhaps we have asked for all the information that is worth while asking for. We have certainly not got the information we have asked for. I suppose in closing it is due the House that we should thank the hon. Minister of the Interior for his quiet, kindly and temperate remarks, and for that great grip of the business side of railroads that he has displayed. I am quite sure that everybody who is at all interested in the question of returns from the National roads will feel a tremendous relief when he learns that simply because the hon. member for Burrard is charged with making a speech in one part of the country which he did not make, this line is a perfectly good line to build.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 45, respecting the construction of a Canadian National Railway line from Loverna westerly in the province of Alberta.

Motion agreed to and bill read the first time.

LLOYDMINSTER EXTENSION

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Lloydminster in the province of Saskatchewan, in a generally northwesterly direction, to a point in or near Township 53 or 54, Range 6, west of 4th Meridian, in the province of Alberta; estimated mileage including existing grading, 45 miles; estimated cost, $1,170,000.

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

Mr. GRAHAM: If my memory serves me this is the line in respect to which certain suggestions have been made by the Canadian Pacific Railway Company's solicitor for an agreement with respect to joint operation or running rights. I may say that the matter was discussed with myself by a solictor, a representative of the Canadian Pacific Railway Company. I think it is now being discussed between the two lines. I think if an agreement were reached there would be no difficulty in amending this proposed legislation

when it comes before the House in bill form. I want to make it clear that by passing this resolution I am not at all trying to slam the door in the face of any negotiations that may take place.

Mr. MACLEAN (York): Have there been other instances of similar negotiations and joint agreements between competitive companies?

Mr. GRAHAM: Yes. In one case I think the Canadian Pacific had a bill and a clause was inserted—as the result of an agreement or action by the committee or by the House—providing for joint operation, if I remember correctly, between the two companies.

Mr. HANSON: That was with respect to this particular line was it not?

Mr. GRAHAM: I think so. Now here is what is proposed:

Lloydminster Mile 0-45—	Cost
Proposed in 1924—20 miles grade..	$262,500
Proposed in 1925—25 miles grade; 20 miles track..	385,000
Proposed in 1926—25 miles track; 45 miles ballast..	522,500
	$1,170,000

It is proposed in 1924 to grade 20 miles at a cost estimated to be $262,500. In 1925, to add 25 more miles of grade and lay 20 miles of track, at an estimated cost of $385,000, and in 1926, finish the line to Mile 45.0 by laying the remaining 25 miles of track and 45 miles of ballasting, at a cost of $522,500.

The aim will be to eventually reach Bruederheim. The distance between Lloydminster and Bruederheim is about 140 miles. The line runs through a good agricultural country suitable for mixed farming and grain growing, and there is considerable settlement throughout.

The justification for this line is that with the very considerable development now being made in this country, the haul to railway markets is quite excessive. It is estimated that the portion of the line contemplated, when completed, will produce 1,350,000 bushels of grain annually, and that the saving to the farmers in road haul would average 20 miles. This, figured at ¾c per bushel per mile, would save the farmers $202,500 per year on grain haul alone. Besides grain it is estimated that 460 cars of in and outbound freight would be hauled, consisting of live stock, coal, lumber and merchandise. As all the freight from this line would be of a long haul character, it would contribute largely to the business of other lines of the system.

Sir HENRY DRAYTON: The minister can certainly give us now the estimated profits as the result of the building of this line. He has stated the amount of grain to be carried, but what will the rate on that grain be?

Mr. GRAHAM: The difficulty is that the Board of Railway Commissioners do not control the railway rates wholly. However the rate will be one which is approved by the railway board.

[Mr. Graham.]

Sir HENRY DRAYTON: The minister can not be quite serious. He must know that the railway rates have been taken out of the control of the Board of Railway Commissioners for the whole of that territory, and that there are statutory rates. Surely he can tell us what these statutory rates are. He knows the Board of Railway Commissioners had nothing to do with the matter, it has been taken out of their control by the government.

Mr. GRAHAM: I am not going to enter into any argument on the matter. This government did not take anything from the Board of Railway Commissioners.

Mr. SPENCER: I wish to support what the minister has said as to the country through which the suggested line will pass. It is an exceedingly good farming country but very badly in need of railway transportation. It is one of those districts where you can go for ninety miles north of Lloydminster and find settlement without any railway facilities. This is a railway that will help that country considerably. The people located there have been very patient for many years, waiting for transportation to be provided. I sincerely hope that not only will they get this line, but railway facilities south of the present Canadian National railway as well. There is quite a large area of country, on each side of the present line running from Lloydminster westward, and it is most essential that these districts be given transportation facilities; otherwise we are faced with the prospect of losing quite a percentage of the settlers, and when we lose the old settlers it is useless to put new men in their places. I simply wanted to make the statement that I know the country very well, and I hope there will be no delay at all in connection with the building of this railway.

Sir HENRY DRAYTON: Now, perhaps, I can get an answer to my question as to what the estimated revenue from this line is. We have got the estimated volume of freight but what is the estimated revenue? Cannot my hon. friend give me that?

Mr. GRAHAM: If I could hunt up the rate, and had the assurance that it would never be changed, I could give an estimate. But my hon. friend's long experience ought to teach him how difficult it is to estimate what the freight will be in the respective areas affected, including the local rate, the long haul, and everything else. My hon. friend could not state that himself and he has been chairman of the Board of Railway Commissioners. The general statement is more than has ever been made to the House

under like circumstances. We have to consider not only the local traffic carried, but the traffic to be handed to the main line to swell the return on the long haul, and that is where the profit is made in transportation.

Sir HENRY DRAYTON: The profit to be made, as my hon. friend knows, is a matter of estimating. Let us forget all about politics and take this as an ordinary matter of business.

An hon. MEMBER: Who is introducing politics?

Sir HENRY DRAYTON: If my hon. friend is interested in delaying the business of the House he can be accommodated, I have no doubt, without very much difficulty. I have suggested that we should forget politics. If that is objectionable all right. I very well recall the remark that came from hon. gentlemen opposite when, on another resolution, we were discussing the possibilities of the Okanagan district. I very well recollect the sneering remark from hon. gentlemen opposite that that was a good Conservative constituency. I did not hear any sneers when we were consenting to the building of lines on the prairies last year, nor did I hear any sneers when we were consenting to building the Huberdeau branch line out of Montreal. Suppose we get down to business and treat this proposition as a business matter. We are invited to spend a given number of millions. Is it unreasonable to have from your executive which recommends you to spend a great number of millions of dollars an estimate of what they think that expenditure will return?

Mr. CAHILL: Could the hon. gentleman give an instance in his whole experience of any railroad company, private or public, the Canadian Pacific Railway or any other giving a similar estimate?

Sir HENRY DRAYTON: I am quite confident that not a single line of Canadian Pacific track has ever been built without that information.

Mr. CAHILL: If my hon. friend can show that information, I will tell him that the Minister of Railways will give him all the information there is in the department. I will make that undertaking on behalf of the hon. minister. The hon. member knows that the Canadian Pacific Railway never did anything of the kind.

Sir HENRY DRAYTON: The hon. gentleman is a splendid speaker, but there is only room for one at a time. I am going to tell my hon. friend that if in the past we had exercised a little more care, and had had more information brought down, this country would not be in the position it is in to-day in regard to the railway systems. The simple fact that we have been crazy in the past is no reason why we should be insane in the future.

Mr. MARTELL: From 1911 to 1921.

Sir HENRY DRAYTON: The county of Hants is heard from, and I do not know but what the member from the county of Hants wants to speak.

Mr. MARTELL: No, you can go on.

Sir HENRY DRAYTON: I appreciate that my hon. friend has not got this information. I do not want to hold him up, but I think he should produce that information for consideration by the House at a future period.

Mr. STEVENS: I want to ask the minister for some information to which the committee is entitled, and which I am sure he will give, if it is in his possession. I remember when this line was built five years ago, and I have the statute under my hand. There was considerable discussion between the two railway companies. At that time there was an application by the Canadian Northern before the Railway committee, and it was contested by the Canadian Pacific Railway; both companies were represented before the Railway committee, and there was a battle royal which I recall very well. In the statute of 1919, Chapter 79, 9-10 George V, the Canadian Pacific Railway Act, 1919, authority is given to the Canadian Pacific to build over this territory. The result of the discussion before the Railway committee was the insertion of the proviso in subsection (g) of section 2, which reads:

Provided that for the purpose of avoiding duplication—

I want to direct the minister's attention to the wording of this statute:

Provided that for the purpose of avoiding duplication of construction of that portion of the line west of Lloydminster, the approval of the route map may be made subject to joint construction or operation with the Canadian Northern Railway Company, on terms to be agreed upon by the companies or settled by the Board of Railway Commissioners for Canada.

I think the minister made a slight reference to that in his opening remarks, if I caught him correctly. Will the minister be good enough to explain to the committee how much of this Canadian Pacific line has been constructed as authorized by this statute, between Edmonton and Lloydmin-

ster? I agree with the hon. member for Battleford (Mr. McConica) that the territory through which this line is projected is certainly good producing territory; and furthermore I would judge, both from a study of the map before me and also from my recollection of the discussion in the Railway committee room five years ago, that it is a very desirable thing that that territory should be served, but I want to point out that it is wholly undesirable that there shall be a duplication of roads through that district.

Now a moment's reflection will bring to the attention of the House that there is a paralleling of lines from Saskatoon west. There is perhaps a couple of hundred miles at least where two and sometimes three lines are running almost within sight of one another—a most deplorable situation. There is no reason in the world why, under the present conditions of stringency and desire for economy, the Canadian National Railways should enter into an undertaking which may result in serious duplication, or should undertake the construction of a road through a territory which is being served partially, and perhaps as time proceeds, more rapidly by the other system than the government can serve it by the system which they propose to put in. I know the usual answer to an argument of this kind is that the member is looking after the interests of the Canadian Pacific Railway. That is not the case.

An hon. MEMBER: Hear, hear.

Mr. STEVENS: My hon. friend says "hear, hear." He may take what pleasure he likes out of it; but we are brought down to this point, that hon. members might take seriously the fact that the time has passed when we in Canada can go on duplicating the Canadian Pacific Railway or any other railway; and it is not going to deter me one iota in making these assertions or pointing out the facts, if some hon. member says "hear, hear," to the suggestion that an hon. member is speaking for the Canadian Pacific Railway when he is uttering these sentiments. Certainly it is in the interests of the Canadian Pacific Railway, if you like, that the other railway shall not be allowed to duplicate it, but it is infinitely more in the interests of the country, that we shall not duplicate these lines any longer. Furthermore, any proposition that has in contemplation the construction of a line through a territory occupied by another railway is improvident and unwise at this time. I desire to say to the minister in connection practically with all the lines at this time—it has been in my mind to say it during all these discussions—that the minister comes before parliament with twenty-six railway bills. We are told that the railways are divorced from politics, and that the desire of the minister and the government is that the National Railways shall be kept as distinct and apart from political interference as possible. Let us give the minister full credit for that statement, and for the best intentions in that regard. Then why cannot this corporate body, the National Railway Company—for it is a corporate body—come before parliament and the committee, just the same as any corporate body does? Is there any objection to that?

Mr. GRAHAM: The hon. member might permit me to answer that question now because I might forget it. The other companies to which he refers supply their own money. Parliament has to supply the money in this case; consequently at this stage parliament has to be approached directly. As a matter of fact we have yet to go through the bill stage with every one of these lines.

Sir HENRY DRAYTON: The minister will then send it to committee.

Mr. GRAHAM: I have not said it but I do say it will be impossible to send the resolutions to committee. I say it is impossible; but, of course, parliament can do anything. Practically, it would be absolutely impossible to send parliamentary resolutions to the committee. Of course when bills are introduced it is a different thing; we can send them to committee. The suggestion is worthy of consideration. However under our parliamentary practice we could not send the resolutions to committee, and we require to have resolutions to provide for money before the provision can be embodied in a bill.

Mr. STEVENS: The hon. minister has not made a very satisfactory case. He argues in one breath that this National Railway must come to parliament for its money, and, therefore, it should come before parliament for its bill. In the next breath he tells us it is quite possible he will send these bills direct to the Railway committee.

Mr. GRAHAM: I did not quite say that.

Mr. STEVENS: Not quite but very near. Will the minister give us his assurance that they will be sent to committee?

Mr. CAHILL: What would they be sent to committee for?

Mr. STEVENS: Will the hon. member for Pontiac (Mr. Cahill) excuse me? I know the hon. member was very near being Minister of Railways, but not quite.

Mr. CAHILL: What would they be sent there for? Will you answer that?

Mr. STEVENS: Will the minister state that he will send them to the Railway committee—

Mr. GRAHAM: My hon. friend is insatiable.

Mr. STEVENS: He may find me a little less satiable than I have been if his answers are not satisfactory.

Mr. GRAHAM: We will not get excited. I said the time to consider this would be when we got into the bill stage. I think my hon. friend is crowding me hard in asking me to pledge parliament and the Canadian National Railway Board that these bills will be sent to the Railway committee. It is a matter for consideration.

Mr. STEVENS: I cannot see any difficulty. If it is a matter of policy to put these bills through this committee and not through the Railway committee, surely it is not difficult for the minister to say so. It is a question whether the minister would allow it, not a question to be conned over by the House. I am very glad the minister answered as he did, for it lays bare the danger of the whole business. The minister says that parliament is the only place to which this railway can come for money. But we are training the directorate to think that they can dip into the treasury whenever they like. Taking at 100 per cent what the minister and the government have been protesting for the past two and a half years, that they want to divorce the National Railway system from politics, I say to them, let the Canadian National Railway Board be treated just the same as the Canadian Pacific Railway Board are treated—let them come before the Railway committee with their bills, and before the Board of Railway Commissioners with their plans and profiles and make their applications. Then there may be some opportunity of checking these things properly. We can judge the policy of the government by the utterances of the ministers. What did the Minister of the Interior (Mr. Stewart) say a moment ago? Let me bring it to his attention. When we were discussing the other bill, the minister upbraided my colleague from Burrard (Mr. Clark) because he refused to take the word of certain hon. members. "Oh," he said, "should not we take—"

Mr. GARLAND (Bow River): Oh, oh.

Mr. STEVENS: My hon. friend from Bow River finds a lot of amusement very easily. The minister said, "Oh, should we not take the word of hon. gentlemen opposite about this? We had the evidence"—this is his expression—"of three or four hon. gentlemen regarding this territory." Now I ask the government, is that the attitude they are going to take? I am expressing nothing derogatory of my hon. friends to the left if I say that it is surely not going to be the policy of this House to accept as evidence of need of railway facilities merely the request of the member of parliament representing the constituency affected. Is that to be the basis upon which this House is going to grant millions of dollars for expenditure on branch lines? Have we no right to ask for explanations from the government? Are such expenditures not to be subject to scrutiny?

Mr. STEWART (Argenteuil): I did not say so.

Mr. STEVENS: But my hon. friend implied it.

Mr. STEWART (Argenteuil): No, I beg my hon. friend's pardon.

Mr. STEVENS: He upbraided my hon. friend from Burrard.

Mr. STEWART (Argenteuil): I beg my hon. friend's pardon. I never implied any such thing.

Mr. STEVENS: My hon. friend certainly made the statement that the evidence of hon. gentlemen in this House ought to be sufficient.

Mr. STEWART (Argenteuil): Mr. Chairman, I object again. I did not make any such statement.

Mr. STEVENS: Hansard will show what the minister said.

Mr. STEWART (Argenteuil): I said that statements by hon. gentlemen who knew the situation ought to carry considerable weight.

Mr. STEVENS: Certainly. That is tantamount to the same thing.

Mr. STEWART (Argenteuil): I do not propose to allow my hon. friend to put words of that kind into my mouth.

Mr. STEVENS: Where are we drifting to? Hon. gentlemen come to the House and say that there is need for a certain railway; and the directors of the National system sit back—many of them political appointees, as I will show in a moment—and say, "We want a railway in Antigonish, we

want a railway in Guysborough, we want a railway in New Brunswick, we want a railway here, we want a railway there."

An. hon. MEMBER: And in New Brunswick.

Mr. STEVENS: Yes, and in New Brunswick. And all this committee can do in functioning at all is to utter a pious "Amen" to these demands, provided certain members stand in their places and say, "Everything is all right." That is the situation with which we are faced to-day. I protest that the National Railway management should get into the habit of simply relying on the treasury to supply funds for any project that comes into their minds, unless we have an opportunity of scrutinizing their proposals with the care which we in this quarter of the House exercise with the meagre information at our disposal, and also have an opportunity of examining the officials before the Railway committee.

Let me draw attention to the difference in procedure. The minister apparently is not favourable to going before the Railway committee. Now, if we had, for instance, Mr. Ruel—one of the most able railway lawyers in Canada and thoroughly acquainted with all this business, one of the best railway representatives that I have seen before the Railway committee in the last ten or twelve years—if we had him before the committee and the engineers we would be able to find out from them by examination the real merits of these lines, and in case of threatened duplication we could have before us representatives of the Canadian Pacific to find out from them to what extent duplication would be precipitated. We cannot do that to-night. There is no possibility of getting this information. In my estimation every one of these bills ought to go before the Railway committee to be scrutinized. Furthermore, if the minister is going to insist on this system of financing the National Railways, that is, by bringing bills before parliament year after year in this fashion, then the National Railway system ought to be made subject to the Board of Railway Commissioners in so far as duplication and similar matters are concerned, just the same as any other railway is subject to their authority. If this railway system is to be divorced from politics, if it is to be free from the interference and influence of members of parliament, then let it be treated in the same way as the other great railway system, and there will be more confidence on the part of the people in voting money for this purpose.

[Mr. Stevens.]

I am tempted to make a brief review of the Board of Directors of the National Railways in order that we may test the value of the reports that have been brought before the House. I question, and advisedly so, whether Sir Henry Thornton—a gentleman who has won a very high position in the estimation of the public in the short time during which he has been head of the system—I question very much if he to-day would give his approval of many of these branch lines. I am quite certain that he is not nearly so well acquainted with them as perhaps most hon. members imagine him to be.

It is just as well for us shareholders to look our directors over now and again. The minister has described this House as a shareholders' meeting. Well, let me contrast the present directorate with the directorate which was deposed. I am not going to say anything regarding Sir Henry Thornton as compared with Mr. D. B. Hanna. The change has been made, and we are desirous of giving Sir Henry Thornton every conceivable support and assistance in his efforts to make a success of these roads. Mr. Mitchell was removed and Mr. Ruel put in his place. I have no complaints respecting Mr. Ruel. He is one of the best railway lawyers in Canada. That is what he is, a technical, legal adviser; so we can eliminate him from consideration. And Major Graham Bell is a representative of the minister, an old civil servant of standing. But what does Major Bell know about these railways? He was over in France most of the year trying to straighten out the Scribe hotel tangle, and therefore he does not enter into consideration. Mr. Robert Hobson of Hamilton, who is a gentleman of very high standing, was replaced by Mr. Gough of Home Bank fame, of the city of Toronto. Mr. Gough sat on the board of directors for perhaps a year or more and he has passed out. I do not suppose it will be a happy recollection for the minister that he ever appointed Mr. Gough to the position. However, he has replaced that gentleman with Mr. Macdougall of Brockville.

Mr. GRAHAM: No, Toronto.

Mr. STEVENS: A stockbroker, of Toronto.

Mr. GRAHAM: A very able man.

Mr. STEVENS: A very able man? Well, let us say rather a very loyal partisan; for if he has any public virtue it consists in his loyalty.

Mr. MARLER: He is a very able man indeed.

Mr. STEVENS: Well, no doubt the God-bless-you of the hon. member for St. Law-

rence-St. George is of some value. Then Mr. E. R. Wood, one of the ablest financiers in Canada, was removed, but I do not know who replaced him. I do not suppose his successor has been appointed. I might observe in passing that Mr. Wood, who was always a Liberal, was appointed by the previous government; and Mr. R. T. Riley, an equally strong Liberal, was also an appointee of that administration. Mr. Riley was removed and in his stead we have Mr. Dawson, of Prince Rupert.

Mr. MARTELL: Was Mr. Riley appointed prior to 1917 or not?

Mr. STEVENS: Now that the hon. member for Hants (Mr. Martell) has projected himself into the debate, I suggest that perhaps we might have a new directorate comprising, among others, the hon. gentleman, the hon. member for Rimouski (Mr. d'Anjou), the hon. member for North Essex (Mr. Healy), the hon. member for Muskoka (Mr. Hammell), with a few others sprinkled in. With such a directorate, including Mr. Duncan Marshall and Mr. W. T. R. Preston, we should have a splendid political organization. But, to continue, we have, as I say, Mr. Dawson of Prince Rupert, and it is no wonder that the minister turns his back to me when I mention that gentleman's name, because there is absolutely nothing in Mr. Dawson's private or public record to warrant his appointment as a director of the railways. I say this in a spirit of the utmost kindness towards Mr. Dawson. We have also Mr. Talbot of Quebec, a noted partisan; certainly he is noted for nothing else but his partisanship. And then there is our dear old colleague of many years' standing Mr. Sinclair of Guysborough, the mention of whose name brings to our recollection the pitiful wails which we heard for years with reference to the famous Guysborough railway. So soon as Mr. Sinclair has left the House and got upon the railway board, however, we have a political railway—a political football for twenty years—advocated by this gentleman who for so many years had so much to say in regard to matters of this kind.

Mr. MARTELL: You cannot say anything against him.

Mr. STEVENS: He is a charming gentleman but so far as his fitness for a position on the directorate of the railways goes, no one who knows him thoroughly would for a moment suggest that he was qualified to offer advice on any question appertaining to railway construction. Now here we have a very excellent political board; and as an equally excellent corollary to that we have the right of the board at discretion to dip into the treasury and take whatever money they want for the construction of any line. And further than that, we have the opinion of the minister that we should not send these bills to the Railway committee because, forsooth, the money supplied for the railways comes out of the treasury and is not furnished by private parties. If the government is in any sense sincere in its desire to divorce these railways, to which we are giving consideration, from politics, let these bills be sent to the Railway committee and let them stand or fall on their merits before that committee. Personally I have been wholly in favour of many of these lines and I am prepared to support them either in any bill or before the committee. But there are other lines, and this is one of them, that cannot be supported by logic, by reason, in equity, or upon any principles of economy.

Mr. CAHILL: My hon. friend seems to have a short memory. It was either in 1918 or 1919 that the government of which he was a distinguished member, in the dying days of its career, passed through this House a bill which deprived the Railway committee of all discretion in the matter of branch lines in connection with the Canadian National Railways. That government, if I remember rightly, passed through the House by closure a bill covering 44 branch lines, and the leader of the opposition (Mr. Meighen) will no doubt recall the circumstance. When we on this side of the House were then sitting opposite we insisted on having the branch lines go before the Railway committee to decide whether they should be granted extensions of time if necessary, and to decide other related questions. My hon. friend points out that the Canadian Pacific Railway asked for a branch line similar to the one now under consideration. I remember that too; but the hon. gentleman must also remember that at that time the Liberal opposition were fighting in this House to have the branch lines submitted to the Railway committee, and the government of that day opposed the proposal. My hon. friend was then sitting about where I am now, and he among others opposed the submission of the branch lines bills to the Railway committee.

10 p.m.

Mr. STEVENS: This branch line was before the Railway committee at the same time as the Canadian Pacific Railway branch line.

Mr. CAHILL: Every branch line included in this undertaking was before the

Railway committee. But instead of sending them back for renewal from year to year, or every second year, my hon. friend's party of that date, then in power, objected, and his leader (Mr. Meighen) who is now sitting in front of him, no doubt remembers the situation. Making a speech, my hon. friend used exactly the same argument as the Minister of Railways (Mr. Graham) is using to-night, that the money had to come from parliament and that therefore these questions would be reviewed in parliament, so that there was no necessity for sending them to the Railway committee.

Mr. MEIGHEN: The hon. member had better have reference to Hansard. I did not have charge of the Branch Lines Bill, and I have no recollection of the debate in question.

Mr. CAHILL: My hon. friend was general utilities man at the time; he had charge of Canadian Northern affairs.

Mr. MEIGHEN: I did not have charge of the Branch Lines Bill and had practically nothing to do with it directly.

Mr. CAHILL: If the hon. gentleman will refer to Hansard of that day he will find that he came to the rescue of the Minister of Railways, Dr. Reid, on almost every occasion. When Dr. Reid was asked for information, the stock answer was, not in the public interest; and when we asked for further information my hon. friend usually came to his colleague's assistance. I must say of course that he did so in a very able manner, but he was one of the men who used the argument that it was not necessary to send the matter to the Railway committee. Well, it does not appear to be necessary to send it to the committee at this stage. The purpose of the Railway committee is to grant charters to companies to extend lines into certain territories, and once charters are granted there is nothing further to come before the Railway committee unless you want to do what the opposition of that day advocated, and what the leader of the opposition to-day will not advocate, namely, bring the officials of the railway before members of parliament and question them on all these matters. My hon. friend objected to this course at that time and he has objected to it in this debate in the last few days. But that is the only means of obtaining information at first hand, if that is what we want. The Minister of Railways has furnished the committee with the information that he has obtained from the department. If hon. gentlemen want further information and if the leader of the opposition will move for it, I am satisfied that the government will be glad to grant it, because that is the thing we advocated in opposition and the very thing my hon. friends opposite opposed most strongly. Here is a sample of what the then Minister of Railways gave us when he was building branch lines in 1920. I put this question:

I think that if the minister would give us the details of the whole of these lines it would be more instructive to hon. members. The statement could appear on Hansard.

The minister said, "Perhaps I can give the list"; then he goes on; "Alsask, S.E. 16 miles," and so on down the list, covering 312 miles of railway. Not one detail was given as regards expenditure on each of the proposed branch lines. The whole sum was lumped, $48,000,000, and that was all the information the House had at that time. Later on a question was asked of the minister as follows:

What work has been done on the Kamloops line up to date?

And here is the answer:

I will try and get that information before we go on with the supplementary estimates.

That was the kind of information we got at that time. With regard to the particular line under discussion at the moment, I remember that the Canadian Pacific asked for running rights or for co-operation in the construction of the line that the hon. member for Centre Vancouver (Mr. Stevens) was speaking about. The Canadian Pacific to this day have not asked that their plans be approved. They have not spent a dollar on the line. The people in that country are looking for the construction now just as they were five years ago, and unless the Canadian National build it they will still be in the hopeless position of being unable to get the railway facilities that they need. The provision is there in the Statutes of 1919 for co-operation or running rights, and that applies as well to-day as it did then. But are these people to be asked to wait forever for the Canadian Pacific to build, or are they to get the accommodation which will justify their deciding to remain in the country? That is the question that is before this committee. When my hon. friend says he is not speaking for or against the Canadian Pacific Railway I want to say I do not believe there is a member in this House who does not fully realize that the success of the Canadian Pacific is just as essential for the welfare of Canada as the success of the Canadian National. The failure of the Canadian Pacific would mean more to us than the failure of the

Canadian National. We have already grappled with that question, and we know that the failure of the Canadian Pacific would be a calamity to this country. There is no hon. member who wants that to happen. There is no hon. member who wants to stand in the way of the Canadian Pacific Railway getting every branch line which it is able to build within what might reasonably be called its own territory, any more than there are hon. members who do not want to see the Canadian National build branch lines in what is regarded as Canadian National territory. My hon. friend talks about keeping the Canadian Pacific out. Before he opposes this branch line he should go to the people in that district who have been labouring under the hardship of hauling their grain long distances during the years that they have been waiting for railway accommodation.

Mr. SPENCER: I am very glad to know that the hon. member for Centre Vancouver (Mr. Stevens) realizes the necessity of railway transportation in this part of the country. He is anxious that we shall have no duplication; I am just as anxious. The Canadian Pacific Railway Company, as the last speaker mentioned, have not built any of the railway through country covered by this resolution. The line does not touch Lloydminster but is twenty miles south of that town. I mentioned a few moments ago that there is a large country that needs these facilities, not only north of the present Canadian National line, running northwest from Lloydminster, but also a large territory to the south of that line. I understand it is the present intention of the Canadian Pacifiic Railway Company to go north to Lloydminster, then in a northwesterly direction to Whitford lake, then south to Vegreville. If we do not want to have any duplication we can easily serve the whole of that country with railway transportation by leaving to the Canadian National the territory from Llodyminster through to Whitford lake and letting the other railway, the Canadian Pacific, go west instead of north from where they are. It would serve a country badly in need of railway facilities, at present not served by the Canadian National, and the Canadian Pacific line would go to its terminus at Vegreville. Both railways would thus have a territory to themselves; there would be no duplication, and the people who are so badly in need of railway facilities would get the necessary service. If these two lines were operated, there is not the slightest doubt in my mind that that country would develop by leaps and bounds and that thousands of people who are at present undecided what to do would make up their minds to stay in that country. There is quite a good country between Vermilion and Wainwright which this southern line would go through, should the Canadian Pacific see fit to go westward instead of northward to Llodyminster.

The hon. member for Centre Vancouver said he did not believe that Sir Henry Thornton himself was in favour of some of the branch lines dealt with in the resolutions which the minister is bringing down. I can only say that the hon. member must have been out of the House the other day when the Minister of Railways read a long letter written by Sir Henry Thornton and addressed to himself, advocating very strongly every railway proposal that was being put forward in these resolutions.

Mr. McCONICA: I am somewhat interested in this line, as it goes out of my constituency at Llodyminster. As to the controversy between the government and the Canadian Pacific Railway Company, I want to say this: The Canadian Pacific are building from the east westward. Up to last year their line stopped at Cut Knife. Two years ago they got an extension of their charter to build from Cut Knife to Lloydminster, and it is suggested that they go on west by a joint arrangement with the national road. They built under that extension forty miles last year from Cut Knife to the Battle river south of Lloydminster, a little more than forty miles, and they advise me that they are now at work extending their line on into Lloydminster, which they expect to reach this summer. Then they propose to go on to the northwest, under the joint arrangement with the national road. An agreement in this connection is incorporated in the statute. It is suggested by the hon. member (Mr. Spencer) that they go south and miss Lloydminster. Now, that would disappoint my people very much. The people at Lloydminster are exceedingly anxious to have these railway facilities, of which they stand very much in need. I was there last season with the Minister of Trade and Commerce. They have five elevators draining a territory thirty miles in diameter and at that time every elevator was full. The men came in there from the northwest country, some from points thirty-five miles distant, and in some cases their wagons were standing along the street—they could not unload. It is a very fertile country, and they are very much in need of this railway.

As to the extension south from the Battle river through to Wainwright or Vermilion, they will not make it, and that is all there is to it. The Canadian Pacific will not build

through that country, because it is not a very good country. The north country is a very good country, and they are ready to go ahead in co-operation with the National line and make an arrangement for running rights over the road. It seems to me under the circumstances that that is the proper thing to do. I am not here as the advocate of the Canadian Pacific interests, but I am here in favour of fair play. This arrangement was made and embodied in a statute, and under that arrangement they have gone on and built their line from Cut Knife to Battle river and they are still building, and they insist that they should have the right to go over the road they originally laid out, and which was sanctioned by parliament. They will not build on the south as suggested by the hon. member for Battle River. They are ready to build through Lloydminster, and Lloydminster wants the Canadian Pacific very badly.

Mr. MANION: I have been listening to this discussion for some time, though I was not here during the early part of it. One of the curses in this country, it seems to me, has been the duplication of railways. I was looking at a map of this proposed branch line, and also at a map of the proposed Canadian Pacific line, and if both were built it would be an absolute duplication throughout. I am very much in sympathy with the remarks of the last speaker (Mr. McConica), because the duplication of lines is an economic waste. I believe the principle which should be upheld by the government and by the people of Canada in connection with our National Railway, and by the Canadian Pacific as well, is that where it is possible to give running rights to the other road over a section where duplication could be avoided in that way that should be done. It would result in a large monetary saving to the country. Take, for example, my own section of the country. From the head of the lakes down through that north country, where traffic is light, there are three railways, the Canadian Northern, the Canadian Pacific and the Grand Trunk Pacific. Certainly two of these would have been amply sufficient, and possibly only one, if it was double-tracked, could handle all the traffic if running rights had been given to the other road. I believe such a policy should be upheld by this government, by the Canadian National and by the Canadian Pacific. In fact, I think it should be forced on the two railways so far as possible where there is a thinly populated section; one should be permitted to build, or even be forced to build, and the other should be given running rights over that piece of road. I think that would result in a great economic saving to the country.

With regard to these railways being before the committee, I was on the Railway committee when the two railways were before us and arguments were made for the building of this very line, and as read by the hon. member for Vancouver Centre, and as I remember myself, the Canadian Pacific was compelled when being given the right to build to give running rights to the Canadian National. If that was a compulsory rule put upon them it seems to me that if now the Canadian National is being given the right to build here, the same rule should be reversed and the Canadian Pacific be given running rights over the Canadian National line if built.

Mr. CAHILL: Is it not reciprocal?

Mr. MANION: I do not understand that it is. I understood from the remarks of some hon. members that it was not. I would ask the minister if it is reciprocal.

Mr. GRAHAM: I think the question which my hon. friend is discussing is set out in the Canadian Pacific Railway Company's bill. I pointed out before my hon. friend came in that the Canadian Pacific was now asking that a similar clause be inserted in the bill being granted to the Canadian National, and I further pointed out that it would be perfectly in order to have full consideration of that proposition when we get into committee on the bill, but that it could not very well be done on the resolution.

Mr. MANION: I am not attempting to delay the minister in getting into the bill stage, but these thoughts have come to my mind and I thought I would present them now because I might not be here when we are in committee on the bill. I think it is exactly as the hon. minister has explained it, and as was read by the hon. member for Vancouver Centre, and confirmed by the remarks of other speakers, that a clause was put into the Canadian Pacific Railway Company's bill compelling them to give running rights to the Canadian National. I think the arrangement should be reciprocal. Now that the Canadian National are being given rights, and if, as the hon. member for Battleford says, the Canadian Pacific have built in the past year some forty miles of this line, I think there is justice coming to the Canadian Pacific and that they should be given the same privilege.

Mr. SPENCER: The Canadian Pacific have not built forty miles from Lloydminster west, but are now twenty miles south of that town.

Mr. MANION: But the hon. member for Battleford said that the intention was to build to Lloydminster and that the people of Lloydminster wanted the Canadian Pacific very badly. Under these circumstances I think it should be the policy of this government and of parliament to make running rights reciprocal wherever possible, in order to save the economic waste which is so rampant in this country through the duplication of lines all over Canada. We have running from here to Montreal three different lines; from Montreal to Toronto three different lines; through my section of the country three different lines. You can look out of the car window and see another line of railway only about a hundred yards away almost wherever you go. We have this unnecessary duplication all over the country, and I just wish to put myself on record as saying that if the Canadian Pacific are being forced in their bill to give running rights, the Canadian National should also be forced to give reciprocal rights to the Canadian Pacific.

Mr. WARNER: I feel that I am well acquainted with that part of the country. I know it better than I do the city of Ottawa. I have been all through it from Bruederheim to Lloydminster. There are some features of this case that have not been pointed out to the committee properly; perhaps they have been overlooked. That district is as good as any that can be found in Alberta, and that means as good as any in Canada in my opinion. It looks perhaps as if it was not too far between the Canadian National and the St. Paul branch, but the country is a little different from the ordinary. These people who are most anxious to get this road are living south of the Saskatchewan river, which is in a deep valley and it is very hard to cross the river with a heavy load. They could not cross that river economically and get to the railroad on the north, so consequently they have to go south to the Canadian National, which is from thirty to forty miles, and, I think in some cases, more. It is an easy place to build a railway. I have been out over the grade and I know that forty-five miles of the road have been graded. There is, as I say, no better country in Canada, but we want these people to be prosperous. It is not a question of a seven or eight mile haul; it is a question of whether we are going to do what is necessary to allow these people to make a living and make their own homes in that part of the country and become prosperous, and that is what we want to do. On account of the river being on the north, and there being such a deep canyon, they have to go south, and that makes it farther for them to reach the railroad than it would ordinarily be if the country was level all the way between the two railways. I do not care to take up the time of the House in discussing this, but I wanted to point this out because I know this country well.

There are no branch lines of railways being built in my constituency, and I am sorry because of that fact. There are districts where they are needed but perhaps branch lines will be built later. However, I wanted to give my evidence as to the need of this particular railway, and to express my belief that its construction will be amply justified. I know that the settlers throughout the district are a good class of people, and if you are going to build branch railways you could not put one in a better place. As conditions now are the people there cannot go to the north to get to the other line. Consequently they have to go much farther than they would if the contour of the country were of a different character. For the reasons stated I wished to advocate the construction of this line.

Mr. STEWART (Argenteuil): I simply want to say that very frequently when a member of the government addresses the committee and gives his viewpoint on a particular subject it is looked upon as imparting to the question a political aspect. We have had a lecture addressed to us to-night on the political aspect of the make up of the Canadian National Railway Board.

Sir HENRY DRAYTON: Hear, hear.

Mr. STEWART (Argenteuil): I am glad that my hon. friend has awakened to a realization of the situation.

Sir HENRY DRAYTON: I think everybody knows it.

Mr. STEWART (Argenteuil): I do not intend to defend the board, but I think in fairness to hon. members who represent various constituencies their statements should have some value when they are given in all honour and all candour to this House. Personally, I have always been prepared to accept such statements at their proper value, and I think most hon. members have the same idea. There can be no political aspect to a question such as this. We want to make the Canadian National Railways a success. It is regrettable in the extreme that the question of politics has been introduced at all. The question involved here is whether or not the particular lines under discussion are required, and many hon. gentlemen have declared that they know these lines are necessary. So far as this particular line is concerned, it has been under

consideration for years. Part of the line was built from the village of Bruederheim many years ago. It circles to the north following the contour of the Saskatchewan river. The intention at first was to build the road to join the parent line at Vermilion. Since that time it has been extended to Lloydminster. Let me say that I agree heartily with what my hon. friends have said about the desirability of preventing duplication, of which we have had entirely too much in the past. I think in fairness to the National line, and that has been stated on many occasions, it would be well if an arrangement could be made between the two companies,—that is to say between the Canadian National and the Canadian Pacific,—by which each should confine its activities to its own territory. We all know that the Canadian Pacific are desirous of reaching the city of Edmonton, and that is a laudable desire on their part. But the territory over which, my hon. friend (Mr. Stevens) points out, they secured a charter to build, is Canadian National territory, there can be no denying that fact, and if running rights are to be given the logical thing to do would be to give the preference in construction to the Canadian National line and grant the running rights to the Canadian Pacific. I think that would be a thoroughly sensible solution of the matter. My hon. friend will realize at once that the Canadian National then would have a priority right in the picking up of local freight. Let me say too that from my knowledge of the locality and of the line it is not for the branch line they require running rights but for the existing line. There would be a greater mileage by diverting the contour of this line than is the case under the line proposed to be built. I most heartily support the idea of preventing duplication and, where necessary, running rights should be had over either one of these systems by any company desirous of reaching the city of Edmonton, and that city is the objective of the Canadian Pacific. I merely rose to make this statement. I would most heartily support the Canadian Pacific in getting running rights to Edmonton which, I think, is their objective.

Mr. STEVENS: Suppose we pass this legislation without any great objection or scrutiny. The Canadian National Railway then go ahead with this line, but the Canadian Pacific are already constructing in that district.

Mr. STEWART (Argenteuil): No, not in that district.

Mr. STEVENS: Their line through Cut Knife and Lloydminster to Edmonton is contained in their charter.

[Mr. C. A. Stewart.]

Mr. STEWART (Argenteuil): They have not built one foot of line in the province of Alberta up to date as far as my knowledge goes.

Mr. STEVENS: What I am pointing out is this: The Canadian Pacific and the Canadian National fought this out before the Railway committee in 1919. At that time the Canadian Pacific secured the right to construct north-westward from Cut Knife, through Lloydminster, north of the existing Canadian National line, between that and the Saskatchewan river to Edmonton. I remember very well that contour maps and other data were brought before the committee and it was demonstrated, just as was said a while ago, that the canyon of the Saskatchewan river made traffic northward and southward impossible, so the settlers along the south bank of that river had to drive farther to the south and could not get directly across to the railway which was on the north side, or some distance away to the north. The Canadian Pacific Railway Company have that charter, and they are now constructing that road northward from where the river has to be crossed. Suppose we go ahead and calmly grant this right to the Canadian National Railway. Then there is nothing to prevent the two of them from constructing other roads through that territory.

Mr. STEWART (Argenteuil): I think it should be prevented.

Mr. STEVENS: Certainly it should. Furthermore, in 1919 the decision reached by the committee was that the company to go into that country first and construct should be the one that should go through, and running rights should be given to the other.

Mr. STEWART (Argenteuil): My hon. friend will recollect that 45 miles of Canadian National line have been constructed from Bruederheim.

Mr. STEVENS: The minister refers to that short distance from Edmonton north-eastward?

Mr. STEWART (Argenteuil): From Bruederheim on the Canadian National railway running in a north easterly direction, taking in a loop of the river, the idea at first being to join the main line again at Vermilion. But since that time the line has been extended in order to reach Lloydminster and give the settlers who are thirty miles from the main line a service.

Mr. STEVENS: That is at the Edmonton end?

Mr. STEWART (Argenteuil): Yes.

Mr. STEVENS: But we are speaking of the construction northwestward from Lloydminster.

Mr. STEWART (Argenteuil): I doubt if the line spoken of by my hon. friend is within thirty miles of Lloydminster at the moment. It will have to be built to Lloydminster and then construction must be commenced in Alberta where this line we are now considering is to commence and of which 45 miles have been built.

Mr. STEVENS: What we are asked to do is to authorize the construction of this line. I am looking at the resolution before the committee. It does not refer to the south end of it at all.

Mr. STEWART (Argenteuil): It refers to 45 miles.

Mr. STEVENS: It refers to a "Canadian National Railway line from Lloydminster to the province of Saskatchewan in a generally northwesterly direction to a point in or near Torwship 53 or 54, Range 6, west of 4th, Meridian, in the province of Alberta." Now that is simply a short distance from Lloydminster, northwest of it, and has nothing to do with the other end of the line at all. What I am getting at is this: We ought to be mighty sure that the Canadian Pacific Railway are not actually going in there this year before we recklessly grant what is proposed here. Suppose the Canadian Pacific Railway are actually constructing from where they left off on the Battle river crossing, what they call the Cut Knife to Melfort branch.

Mr. STEWART (Argenteuil): It would be westward from Cut Knife.

Mr. STEVENS: If they are actually constructing and intending to continue this year—

Mr. STEWART (Argenteuil): They are.

Mr. STEVENS :— then there is no need for the National Railways to step into the same territory and start construction. Let me again point out that in 1919, when we discussed this question for several days before the committee, the general decision of the committee was that we would safeguard in the Canadian Pacific Railway bill the rights of the Canadian National Railways which we did, and it is in the statute which I read this evening, but that the railway that would get in and construct a line first and give the service to the settlers, should have the right to construct. That is the decision we arrived at. I remember the discussion quite distinctly. I say if the Canadian Pacific Railway are actually going to do it—and we ought to know that for a certainty—they should be permitted to go ahead and construct this line, and this resolution should not be passed.

Mr. STEWART (Argenteuil): In reply to my hon. friend, I say that in 1919 this forty-five miles of railway was completed up to Bruederheim. I have lived in that country for the last fifteen years, and I never heard of any other location for that line than from Bruederheim around, taking the circle, and coming back to the main line at Vermilion. Afterwards that was changed, as I pointed out, and it was arranged to run further east and join the main line at Lloydminster. I desire to repeat now that I think it would be well to confine these roads to their own territory. At the moment the National Railway is pulling every pound of freight out of that territory, because the National Railway is north of the Saskatchewan river. Every pound of freight that originates in that territory is freight belonging to the National Railways, and I cannot very well understand why a committee of parliament as late as 1919 should have been willing to hand over that territory to the Canadian Pacific Railway. Frankly, I do not understand it. I would be glad to support a proposition to give running rights to the Canadian Pacific Railway into the city of Edmonton, either over the main line track, or if preferable over the branch line; but I think that the Canadian National line is entitled to that freight, and to the ownership of that line; and, by the ownership of it, entitled to the freight that is gathered from station to station along the line. I would not in the slighest degree put anything in the way of the Canadian Pacific Railway getting into Edmonton, which is the objective point, and would be quite willing to insist on the National Railways giving them running rights, in order to carry on their business. They are entitled to that; and in that case there would be no duplication. I know the country very well and I say I am more than friendly to the Canadian Pacific Railway. I think they are a great institution, and I think they are entitled to get a fair show in every territory in which it is logical and right for them to be operating, and which is contiguous to their main line; but I do think that, in all fairness, this territory rightfully belongs to the National Railways. I hope I have made myself clear.

Mr. STEVENS: The minister is giving utterance to some positive statements. If the government will say, "No, so far as our control is concerned, the Canadian Pacific Railway shall not go into that territory," then the Canadian Pacific will understand what they mean. But, in spite of the fact that the minister does not understand why it was done I tell him that in 1919 it was done by an act of this parliament, after mature consideration.

Mr. STEWART (Argenteuil): The committee must have known that there was an agreement in existence.

Mr. STEVENS: Certainly, they had all the information before the committee. The matter was thereshed out in detail after hearing both sides. But the point was—and I remember distinctly—that the Canadian National Railways were not in a position to declare that they would construct that line, and that was the difficulty. I remember very clearly that we declared that the settlers of that district were entitled to service. It was clearly pointed out to the committee that the peculiar conformation of the country, caused by the Saskatchewan river valley, made it not only desirable but absolutely necessary that the settlers should have service, and that was the reason the committee decided to admit of a competition, if you like, as to who should get in first.

In reply to what the minister has said, let me come back to the point again: If it is shown that the Canadian Pacific are prepared to build in there now, I say they ought to be permitted to build for two reasons, first, in order that we may keep faith with the Canadian Pacific Railway in relation to the arrangement discussed in 1919; and, secondly that this government and country do not require to look for places to spend money. If we can possibly avoid expenditures we ought to do so. As to the ownership of territory, I do not think it is applicable to this case, because it was threshed out and decided five years ago.

Mr. STEWART (Argenteuil): I do not feel like giving way to my hon. friend's argument, except in so far as it is applicable. If the Canadian National Railways as he stated—and I want to quote him correctly—were not prepared to build, then I can understand why the committee were induced to grant that charter but my hon. friend said on one or two occasions that there was a dispute about it and that the first man on the ground was going to get the right to build. If that is the case, I can hardly understand the attitude of the Canadian National Railways with respect to that matter, and I hardly understand why on the other end of the loop, the forty-five miles upon which money has been spent, should be abandoned.

Mr. STEVENS: Pardon me, they are not abandoning it. They switch off there at—I cannot see the name on the map.

An hon. MEMBER: Bruederheim.

Mr. STEVENS: Yes, that is the point my hon. friend refers to.

Mr. STEWART (Argenteuil): That was the starting point.

Mr. STEVENS: It runs from Edmonton to Bruederheim, and swings down to Lloydminster. There is no loose end there. It does not matter one iota what they started out to do; they may have started out to make a larger map; I have no doubt they did, but there is no loose end there, or turning southward to Lloydminster. So that there is no need for the Canadian National, so far as that is concerned.

Mr. WARNER: I might say that the Canadian Pacific railway is not built from Edmonton to Bruederheim, nor does this old Canadian Northern grade start from Edmonton. It begins at Bruederheim running east from there towards Lloydminster. The Canadian Pacific proposed road is coming in from the east by Whitford lake, then, I presume, crosses the Canadian National line near Bruederheim running into Edmonton on the south side of the river where the Canadian National main line crosses the Saskatchewan river at Fork Saskatchewan.

Mr. MANION: The Minister of the Interior made a remark which might be misinterpreted. I was on the committee he refers to. He said he did not understand why the committee should have given the rights to the Canadian Pacific Railway at that time, because it was really Canadian National Railway territory. I remember some of the discussion before the committee, and my recollection of it is that the Canadian Pacific came forward and asked for rights to build into that territory. They were opposed by the Canadian Northern Railway. For some reason we had all these questions before the committee. Mr. Hanna was here on behalf of the Canadian Northern and Mr. Coleman appeared for the Canadian Pacific Railway. Mr. Ruel the counsel was here; the Canadian Pacific solicitors were also present and they fought it out. If I recollect correctly, it was stated that the Canadian Northern Railway

was not ready financially to go ahead with the proposition, and the Canadian Pacific was. I do not know whether the Canadian Northern had their charter then or not.

Mr. STEWART (Argenteuil): That was the time they got it.

Mr. MANION: However that was the ground that was taken. It was a very hard fight because the Canadian Pacific Railway and the Canadian Northern Railway fought the matter very hard. It was the opinion of the committee and of parliament that the Canadian Pacific Railway had the right to build. Parliament gave the Canadian Pacific Railway a charter to build. They have not done so except in the southern part. But in the charter we inserted a clause compelling the Canadian Pacific Railway to give running rights to the Canadian Northern, which at that time, I think, was a perfectly fair and legitimate proposition to both railways. I do not remember, but I doubt very much if the Canadian Pacific was agreeable to the insertion of this clause. To-day, if we are going to take away from the Canadian Pacific the right of building in that country,—certainly one railway is quite sufficient there—and permit the Canadian National to build, it is only right that a reciprocal arrangement should be provided for and the Canadian Pacific treated in the same way as the old Canadian Northern was formerly treated. The minister nods his head, and I assume he agrees with me. I think a whole lot of time might be saved if he would accept the suggestion which has come from practically all over the House, that before this bill comes down he will ascertain the attitude of the two railways and see if running rights cannot be arranged which will be satisfactory for this particular line and will also probably be satisfactory throughout the whole district. Lloydminster would be satisfied according to what my hon. friend from Battleford (Mr. McConica) says. It seems to me that would be a fair proposition.

Mr. STEWART (Argenteuil): I have only this to say. It would be absolutely useless to give running rights over this line to the Canadian National railways. Why should they have to make a detour for all their through business and haul it over a greater mileage than on their main line? The case is absolutely the reverse with the Canadian Pacific. If the latter go in there they take territory which is now all Canadian National and they would control that territory and gather the freight. Running rights would merely be for through traffic from one end of the line to the other which would be of no value to the Canadian National whatever because they would not be permitted to do logical business if the Canadian Pacific built the line. I am not arguing against the Canadian Pacific for a moment I am simply pointing out what is obvious to anyone who is familiar with the territory.

Mr. MANION: Does the minister say it would be no use to give running rights to the Canadian Pacific.?

Mr. STEWART (Argenteuil): No; it would be no use to give running rights to the Canadian National.

Mr. MANION: I am saying the proposition is to give the Canadian National the right to build the road and to give the Canadian Pacific running rights over it.

Mr. STEWART (Argenteuil): That is different.

Mr. GRAHAM: I have already asked the heads of the two railways to get together on this matter. The time for consideration of this will be when the legislation is in bill form.

Mr. MANION: You should have told us that an hour ago.

Mr. GRAHAM: Yes an hour and a half ago.

Mr. SUTHERLAND: Mr. Chairman, I am somewhat surprised at the lack of information supplied regarding many of these lines. It is a slow process to obtain information. I could not help admiring the earnestness with which the Minister of the Interior tried to impress upon the committee the fact that when a member declared that a road in his constituency was desirable, the declaration in itself should be pretty near sufficient to justify construction. I am confident that every member could find strong arguments to justify railway construction in his constituency. The Canadian National system is owned by the people and any expenditure must be met by them. The great difficulty seems to be to arrive at a clear understanding as to whether a line is justifiable or not. In the old days there was keen competition between the railways for traffic, although there was no competition as to rates. To-day it is very important that we safeguard ourselves against undue railway duplication. I think there are many lines in operation to-day that might be properly closed and the traffic carried over one road. It does not matter whether it is a privately-owned or a government-owned railway, we must have lower railway rates or we cannot prosper. But we cannot have lower

rates if we build unnecessary railway mileage. This country is not in a position to build roads that are not absolutely essential. When I hear hon. members from the West arguing that because they are eight or ten miles from a railway it is desirable that there should be a further construction undertaken, I can assure the committee that there are many sections in the old provinces where the people have not as good railway facilities as those enjoyed in the West.

I protest against this lack of information. It is evident that if we are to make a success of the Canadian National Railways some different method must be adopted in regard to the building of branch lines than that which is now being followed. There is no closing our eyes to the fact that the board of directors have been largely appointed for political reasons rather than for any especial qualifications or railway knowledge. That being the case, there is suspicion among the people that something of a political nature is attached to these proposals. It is well known that there were negotiations between representative men of western Canada and the government before parliament assembled; in fact, it has been said that a bargain was made between them. Well, I think we have good evidence of it in the docile manner in which hon. members to my left stultify themselves and vote contrary to what they openly profess in this House. They have done that repeatedly during this session. Their actions would indicate that they are very anxious to secure more branch lines in western Canada. One hon. member even had the hardihood to compare expenditure in rural mail delivery in some of the old provinces with that in western Canada, but he did not take the precaution, or was not fair enough, to give the revenues in these old provinces compared with similar revenues in western Canada. In some sections of northern Ontario which have been recently opened up, and where rich mineral deposits have been uncovered, there is possibly more need of railway facilities than in those districts to which reference has been made. Yet we are absolutely handicapped and cannot proceed because the province of Ontario has undertaken to build development roads, and therefore is not in a position to give the railway facilities which the people there are entitled to. This simply means that the province will have to dispose of the Temiskaming and Northern Ontario railway to the federal government in order to have feeders built, because that great section tributary to the railway must have railway facilities if it is to go ahead.

[Mr. Sutherland.]

Mr. STEWART (Argenteuil): Is it not a fact that through lines have been built right across Ontario, both by the Canadian Pacific and by the government of Canada? The Canadian National, the old Canadian Northern and the Grand Trunk Pacific were built directly across northern Ontario.

Mr. MEIGHEN: But there are no branch lines.

Mr. STEWART (Argenteuil): Have branch lines ever been asked for?

Mr. CLARK: Is that all you have to do?

Some hon. MEMBERS. Oh, oh.

Mr. STEWART (Argenteuil): I do not think there is any joke about it. If there was necessity for branch lines, surely some representations would have been made to the company. I merely asked the question.

Mr. SUTHERLAND: If there is a political representative on the board that may account for it.

Mr. STEWART: (Argenteuil): I do not know that any member of the board particularly asked for any of these lines. But let me ask my hon. friend: What is the political affiliation of Mr. James Stewart of Winnipeg? I have never heard.

Mr. STEVENS: He very seldom attends the board.

Mr. STEWART (Argenteuil): I do not know whether he attends the board or not, but my hon. friend has been active in denouncing the political affiliations of members of the board and perhaps he can tell me to which side this gentleman leans.

Mr. STEVENS: He is a gentleman who unfortunately seldom attends the board. If these men were more regular in their attendance we should be able to get the advantage of their knowledge and skill; but the trouble is that the board is in the hands of half a dozen pseudo politicians.

Mr. STEWART (Argenteuil): My hon. friend has answered his own question, I think. He has practically said that the members do not attend the board and he is content with Sir Henry Thornton.

Mr. SUTHERLAND: The minister admits that there are no branch lines in northern Ontario and from his remarks I would infer that there is no necessity for them.

Mr. STEWART (Argenteuil): I did not say so, sir. I do not know the situation.

Mr. SUTHERLAND: I have been endeavouring to emphasize the fact that there

are points in that mineral belt that are very much in need of railway accommodation which they are not receiving. There is not one mile of railway to be built in Ontario so far as can be seen at present.

Mr. STEWART (Argenteuil): I have simply been asking for information. My hon. friend remarked that nothing had been done for Ontario and I pointed out that certain lines crossed northern Ontario. Although there may be no branch lines, surely my hon. friend will admit that a line circling the Lake of the Woods to the south is serving a large area of country. And that line belongs to the Canadian National Railways. Surely he will agree that the Grand Trunk Pacific, crossing right through the heart of the north country, is of some value to the people up there.

Mr. SUTHERLAND: The territory to which I am referring is the mineral belt between Cochrane and Englehart to which the Canadian National is not tributary, and that is the section of the country that is now so much in need of railway facilities. It is true that a branch line of the Canadian National Railways could be built down into that locality, but a better service would be rendered if a line were built from the road that is now owned and which was built by the province of Ontario. For that reason I state that if this policy is to continue there is nothing to be done but for the government to assume that road that has been constructed by the province. The Canadian National Railways have running rights over that road and the interests of that country demand that something be done to enable development to proceed. The wealth of the country there would indicate that such development is possible if railway facilities are provided.

Mr. MEIGHEN: The hon. member for Pontiac (Mr. Cahill) is not here, but the Minister of Railways will no doubt be able to answer the question which I am about to ask and which I intended to direct to the hon. member. What year was it that the bill was introduced to provide for branch lines construction which the hon. member for Pontiac stated that the government then in power refused to refer to the Railway committee?

Mr. GRAHAM: I suggest that my hon. friend wait until the hon. member for Pontiac returns. I did not refer to any bill that was introduced for the construction of branch lines. Certain branch lines were to be taken over under the Appropriation Act of 1920 for which $48,000,000 was appropriated, and my contention was that no information was given to the House, as far as I could recollect, concerning these branch lines as to cost and territory, to the extent that I am affording the committee now.

Mr. MEIGHEN: Did the minister say, in 1920?

Mr. GRAHAM: I think it was in 1920; I had Hansard a moment ago. But my argument was not directed to anything that had happened in the committee, nor did it refer to the question whether any bill should be sent to the committee or not. I was simply contending that we were giving loads of information now that had not been given heretofore.

Mr. MEIGHEN: I see the hon. member for Pontiac is back now, and perhaps he will answer the question I asked a moment ago. What year was it that the bill was introduced by the late government to provide for the construction of branch lines, which bill was refused to be submitted to the Railway committee?

Mr. CAHILL: I think it was in 1919, in either the first or the second session.

Mr. MEIGHEN: There was no such bill introduced at all; the hon. member was talking without the book.

Mr. CANNON: In the Grand Trunk bill there was a section providing for the construction of 44 branch lines.

Mr. MEIGHEN: What Grand Trunk bill?

Mr. CANNON: The Grand Trunk bill; there was provision for the purchase of 44 branch lines in the West. We asked that these 44 lines be considered in detail, and that request was not only refused but the section was passed under closure.

Mr. GRAHAM: That is my recollection.

Mr. MEIGHEN: My hon. friend says that his recollection is that in the Grand Trunk bill there was power to acquire 44 branch lines in western Canada. The suggestion is so absurd that I would insult the House if I denied it. In 1920 there was provision in the estimates for branch lines, and we plead with this government to do what we did then. All that the government need do is follow our example and we shall be satisfied.

Mr. GRAHAM: Will you take the information that you then gave?

Mr. MEIGHEN: Yes, I shall be content with such information.

Mr. GRAHAM: Which was nothing.

Mr. MEIGHEN: The hon. member must have had a bad dream. I do not know what hon. gentlemen behind the minister have in their heads at all, but there was no such clause in the Grand Trunk acquisition legislation. That legislation was merely to provide for the acquirement of the Grand Trunk Railway. There was a previous bill for the acquirement of branch lines, but that was long before 1920, and it was for the acquirement of certain lines, that were constructed, which of course is a different thing. Now, as respects the minister's allegation that no information was given, and the specific allegation just now that no information was given as to estimated cost and as to territory, I will undertake to provide the minister with that information and to show that it was given. I know that no such information was refused; I know that it was given at some stage of the bill, although I cannot say at what precise juncture. I stand here to say that hon. members will have difficulty—indeed I do not think they will find it possible—to produce an instance in which specific information asked for was not given in respect of the legislation referred to by the minister. I can well recall these occasions, because I know how active the member for Pontiac was; and I have read some of his speeches. I would ask the House to go back over these days and read the debates; do not let hon. gentlemen refer to one little stage of the bill.

11 p.m

Mr. STEVENS: This is the bill.

Mr. MEIGHEN: That is the wrong bill.

Mr. CARROLL: The hon. member has got wrong information this time.

Mr. MEIGHEN: I get wrong information from hon. gentlemen opposite.

Mr. CAHILL: No, from gentlemen behind you.

Mr. MEIGHEN: Not at all; I get right information there, but this is not the bill mentioned by the hon. member for Dorchester (Mr. Cannon). The Canadian National Railways Act of 1919 is not the act for the acquirement of the Grand Trunk. There is a schedule the purport of which I do not know at the moment, but it may be that to which the hon. gentleman refers. There could be no such legislation in the Grand Trunk Acquisition Act. I will look over the schedule to the Canadian National Railway Act and speak to it a minute later; of course I cannot do it while I am on my feet.

[Mr. Meighen.]

Mr. LUCAS: I understand that a good deal of the opposition to this branch line is due to the fact that the Canadian Pacific has a charter in this connection, secured in 1919. The member for Fort William and Rainy River (Mr. Manion) suggested that the charter was granted to the Canadian Pacific at that time on account of the Canadian National being unprepared to proceed with the construction. The fact that the Canadian Pacific have not done anything with that road shows that they were not any more prepared to start with the construction than were the Canadian National. I think the time has come when any railway company applying for a charter should be prepared to put up a guarantee or bond that they are going to start construction, and that should be done before any charter is granted by this House. I would like to confirm what the Minister of the Interior said in regard to this territory belonging to the Canadian National. The present Canadian National line parallels the Saskatchewan river and all the territory north of that line runs to the river, which has very deep banks. All the business coming from that territory comes now to the Canadian National, and if the Canadian Pacific secured a charter through there it would simply spoil the whole business for the Canadian National. The Canadian Pacific built last year from Cut Knife, I believe, a distance of about thirty miles, and they are still a considerable distance from Lloydminster. I presume this year's construction will take them into Lloydminster and then they will be able to secure running rights over the Canadian National from there to Edmonton, so they will not be inconvenienced. I am glad the construction of this branch line is proposed this year, because the settlers of that district have been looking for it since 1909. Farmers there have told me that they were prepared to go out and give their labour free if they could only get this road started. I am glad, I say, that the board have seen fit to recommend the starting of construction on this line during the present season, and I hope it will be pushed to an early completion.

Mr. CANNON: Referring to the statutes of Canada, 1919, Chapter 13, the clause I was alluding to is clause 20, which reads as follows:

> The times for the commencement and completion of the construction of the lines of railway specified in the second schedule to this act, which certain of the companies comprised in the Canadian Northern system were authorized to construct, are hereby extended for two years and five years respectively after the passing of this act.

If my right hon. friend will read the second schedule he will see that a full list of the railways is there given. When we asked for information, and asked an opportunity to study each or any special branch line in particular, by a committee or otherwise, we were refused, and the clause was passed under closure.

Mr. MEIGHEN: Well, I am delighted that the hon. member has found the clause. This Canadian National Railway Act was not the act, first of all, by which the Grand Trunk was acquired; that was done under the Grand Trunk Acquisition Act. However, that is merely a matter of name. The Canadian National Railway Act was the act by which we consolidated all the roads at that time owned by the state—that is, roads that were acquired by stock interest. They were all made into one system, and provision was made for the appointment of a directorate and their operation as one. Consequently such roads as the various constituent companies had, already the property of the state, became consolidated in the possession of one company of which the state held the ownership. Then the clause to which my hon. friend refers provided that the times for the commencement and completion of lines already authorized and specified in the second schedule—

—which certain of the companies comprised in the Canadian Northern system were authorized to construct, are hereby extended for two years and five years respectively after the passing of this act.

The various companies, when private companies, had the right to construct those roads mentioned in the schedule. The private companies are now owned by the state, and the state when consolidating these companies, extends the time within which that construction may go on. The state does not come to parliament and ask for a dollar to go on, or bind itself to go on, or express any intention of going on.

Mr. CANNON: I never contended that either.

Mr. MEIGHEN: It merely extends for its own benefit the right to construct which the original companies obtained. What in the world would be the sense in such a case of going to a committee? Now the hon. member has revealed just about the character of the obstruction we were subjected to. The House was kept day and night over a clause that merely reserved to the state the right to go on if parliament authorized it to do so and voted the money to do so later on. This was merely a keeping alive of charter rights that had already been accorded to a private company. That is what they forced closure on in this House. Could anything better illustrate the character of the opposition we had? We would have had to come back to parliament to get the money before we could build a line, and in every case we came in the constitutional way and had the money voted in estimates. Now, I wonder what is to be thought of an opposition that held parliament by the throat, talked against time all day and all night, forcing closure in order that a clause of that sort might be got through?

Mr. GRAHAM: If these had remained private companies, had they not been taken over by the government and had they wished to have their time extended as was done under this act, would they not have been compelled to come before the Railway committee?

Mr. MEIGHEN: Very good. But we would have had to come to parliament later for the money anyway, but a private company would not have had to come to parliament for the money. The private company would vote the money itself and go on; that is exactly the point. What on earth was the common sense of sending that clause to a committee, a clause that merely reserved the right to go on, merely kept the charters alive for the benefit of the state, when as a matter of fact if we should decide later to go on with even a single branch we would have had to come back to parliament for every cent of the money?

Mr. CANNON: I am not discussing the question whether it should have been referred to a committee. But the right hon. gentleman asked that one instance be pointed out where his government refused information,, and I have quoted one. We asked for information and we were refused it; that is the point.

Mr. MEIGHEN: What was the information asked for there?

Mr. CANNON: As to the revival of forty charters. I think parliament was entitled to some information as to where the railways were to be built, and so on.

Mr. MEIGHEN: What was the information asked for?

Mr. CANNON: The information asked was as to where the railways were to be built, the merits of each of the charters, the expenditures that we might be called upon to make in the future, and so on. With respect to every one of the questions put by the opposition at that time the government refused to give any enlightenment. That is the point before the committee.

Mr. MEIGHEN: This is getting better all the time. I rose first to answer the statement that we had refused to allow bills similar to these, providing for new construction, to go to a committee. This was given as the instance. I do not need now to review the argument; hon. gentlemen opposite are simply exposed. Now the hon. member says, "Oh, you refused to give information then, refused to tell us where the lines were going, what was to be the cost, and so on." Well, I have no recollection of the refusal, but we will assume it was done, if that will help the argument any. What on earth would that information have to do with the wisdom of maintaining the charters alive, when we owned the charters? That is the character of information that was asked. That was the character of information in respect of which parliament was held up, the time of the people wasted, the time of members wasted, whole nights consumed—just in order to make a demonstration, to try to create the impression that information was not given. That character of information had not the slightest thing on earth to do with the wisdom of passing the clause. The clause was manifestly wise in the first place. Nobody could get any benefit from it except the state. If it was providing money with which to go ahead as this bill is, certainly we should have given that information. When we asked for money and expressed any intention of going on at all we came on later and gave the information.

Mr. CANNON: It is only fair that before buying charters we should know what we are taking over. When my right hon. friend was Prime Minister he was buying all kinds of things without knowing what he was purchasing, but we want to know what we are buying when we are paying out public money.

Mr. MEIGHEN: We were not giving anything for the charters. We already owned them, and were merely by legislation keeping them alive. They are all set out here and everything about them is given. I am prepared to leave the matter with the committee.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 46, respecting the construction of a Canadian National Railway line from Lloydminister, in the province of Saskatchewan, northwesterly forty-five miles.

Motion agreed to and bill read the first time.

On motion of Mr. Mackenzie King the House adjourned at 11.15 p.m.

[Mr. Cannon.]

Wednesday, April 9, 1924

The House met at three o'clock.

UNITED CHURCH OF CANADA

Mr. MATTHEW R. DUNCAN (North Grey): Mr. Speaker, I desire to present the petition of the Owen Sound Presbytery opposing the United Church of Canada bill.

Mr. L. J. LOVETT (Digby-Annapolis): Mr. Speaker, I desire to present petitions from Digby Methodist Church, Bay View Presbyterian and Methodist Churches, Smith's Cove Methodist Church, Middleton Presbyterian Church, Middleton Methodist Church, Annapolis Royal Methodist Church, Annapolis Royal Presbyterian Church, Clementsport Methodist Church, Granville Ferry Methodist Church, Port Wade Methodist Church, Parkens Cove Methodist Church, Goat Island Methodist Church, Bear River Methodist Church, and Lawrencetown Methodist Church, in favour of the enactment of legislation to incorporate the United Church of Canada.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

MR. A. ARONOVICI

Mr. SHEARD:

1. Has Mr. Aronovici referred to by the Minister of Railways in the session of 1923 as the Canadian National Railways' representative in France, been discharged or otherwise severed from the service of the said railways?

2. If so, why?

3. How much money altogether was paid said Aronovici in the service of the railways and for what length of time?

Hon. Mr. GRAHAM:

1. Resigned from service.

2. The re-organization of the traffic, colonization and development departments of the Canadian National Railways on the continent of Europe.

3. Salary from April 15, 1923, to December 31, 1923, at $1,250 per month	$10,625 00
Compensation for special services, December 1, 1922 to April 15, 1923	5,625 00
Travelling expenses	9,291 46
	$25,541 46

Also 150,000 francs, or approximately $7,500, in lieu of notice.

Mr. STEWART (Leeds):

1. When did A. Aronovici receive appointment as General Agent (or otherwise) of the Canadian National Railways?
2. What were his duties and his salary?
3. For what reasons did the Canadian National Railways management or the Department of Railways and Canals through Major Graham Bell or otherwise, press for Aronovici's resignation?
4. What moneys were paid Aronovici over and above his salary in connection with such resignation, or otherwise?

Hon. Mr. GRAHAM:

1. April 15, 1923.
2. General charge of traffic, colonization and development departments on continent of Europe; salary $15,000 per annum.
3. The re-organization of the traffic, colonization and development departments of the Canadian National Railways on the Continent of Europe.
4. 150,000 francs or approximately $7,500.

SOLDIERS' CIVIL RE-ESTABLISHMENT EMPLOYEES

Mr. McBRIDE:

1. What was the total number of employees of all classes in the Soldiers' Civil Re-establishment department at Ottawa—
(a) on the 31st December, 1921;
(b) on the 31st March, 1924?
2. What was the total salary paid to such employees—
(a) on the 31st December, 1921;
(b) on the 31st March, 1924?

Hon. Mr. BELAND:

1. (a) Total number of employees of all classes at Ottawa, December 31st, 1921, 1,178.
(b) Total number of employees of all classes on March 31st, 1924, 741.
2. (a) Total salaries paid to such employees December 31st, 1921, $1,348,664.
(b) Total salaries paid to such employees 31st March, 1924, $911,693.

Mr. MANION:

1. What is the total number of employees of all classes in the Soldiers' Civil Re-establishment department in Ottawa?
2. What is the total salary paid to such employees?

Hon. Mr. BELAND:

1. 741; consists of head office staff, and staff employed at the headquarters of the eastern Ontario unit.
2. $911,931.

MR. DUNCAN MARSHALL

Mr. SUTHERLAND:

1. Out of what vote of parliament have the payments been made which have been received by Mr. Duncan Marshall as salary and expenses, which payments total according to the government's return $19,937.98?
2. Under what clause of the Appropriation Act, or if not paid under the authority of the Appropriation Act, under what clause of any other act had the government authority to pay Mr. Marshall?

Hon. Mr. COPP:

Department of Agriculture.

1. Votes Nos. 51 and 14—1921-22.
Votes Nos. 52 and 14—1922-23.
Votes Nos. 50 and 14—1923-24.

2. Appropriation Act No. 1—1921—Section No. 2.
Appropriation Act No. 2—1921—Section No. 2.
Appropriation Act No. 1—1922—Section No. 2.
Appropriation Act No. 2—1922—Section No. 2.
Appropriation Act No. 1—1923—Section No. 2.
Appropriation Act No. 2—1923—Section No. 2.
Appropriation Act No. 3—1923—Section No. 3.

Department of Immigration and Colonization.

1. $300 paid by this department; was from vote for exhibitions, salaries and contingencies.
2. Appropriation Act, Vote 56, Department of Immigration and Colonization 1922-23.

CANADIAN NATIONAL RAILWAYS—COLONEL BALFOUR

Mr. STEWART (Leeds):

1. Was Colonel Balfour employed as head of the Immigration and Colonization department of the Canadian National Railways, or in any other capacity, and if so, at what salary and for what period?
2. Was he provided with a staff, and if so, what were the names and salaries of that staff?
3. What was the total amount of salaries and expenses of said Colonel Balfour and staff, up to the time he was sent back to England?
4. Is Colonel Balfour still retained on the payroll of the Canadian National Railways, and if so, at what salary and in what capacity?

Hon. Mr. GRAHAM:

1. Colonel Balfour was engaged to make investigation in connection with prospects for emigration of certain continental Europeans for colonization in Canada. He was engaged from January 1st, to May 31st, 1923, at a salary of £125 per month for four months, and $625 per month for one month. Upon completion of this work his engagement terminated.
2. No.
3. See answers Nos. 1 and 2.

Salary, Colonel Balfour..	$3,058.33
Expenses, Colonel Balfour.. ..	570.16
Total..	$3,628.49

4. No.

HUDSON BAY

Mr. DESLAURIERS:

1. At what distance are the ships used in provisioning the post of Port Nelson, in the Hudson bay, obliged to anchor to allow the transhipment of their cargo?
2. What is the rate, per hour, of the current at that point?
3. What is the speed, per hour, of the lighter?
4. What is the draught of the Nascopie?
5. What is the mean depth of the Hudson bay according to the latest soundings, and what is the length and width of said bay?
6. What was the cost of the dredge sent to said bay during the war, how long was it in service, how many men were employed on same, and how long did they remain there after work ceased?

Hon. Mr. GRAHAM:

1. Seven and one-half miles, if draft 21 feet and over.

2. About four miles per hour.

3. Six to seven miles per hour.

4. About 21 feet.

5. The mean depth over the outer bar 19 miles from the Nelson wharves at high water of neap tides is 33 feet. Hudson bay is 530 miles long and 450 miles wide.

6. The suction dredge, Port Nelson, with pontoons cost $371,881.26. It was in service during the working seasons of 1915, 1916 and 1917. The double shift crew, including pontoon tenders, consisted of 29. The crew was discharged as soon as the dredge was placed in winter quarters at the end of each season's work.

EXAMINER OF PATENTS

Mr. HARRIS:

1. Why has the Commissioner of Patents abolished the position and dispensed with the services of the examiner who has had charge of this work?
2. Who is to examine such applications for patents, and what are his qualifications for such work?
3. Was not the examiner competent to do the work?
4. What are the reasons for his dismissal?
5. What representations have been made on this matter by the chemical and metallurgical industries and professions?

Hon. Mr. STEWART:

1. Assuming that the position referred to is that of the patent examiner who is charged with the examination of chemical, electro chemical and metallurgical patent applications, the Minister of Trade and Commerce abolished it for the reason that he was of the opinion that the duties of the position could be performed by remaining members of the examining staff in addition to the other duties assigned to them.

2. Remaining members of the examining staff as follows:

[Mr. Graham.]

Chemicals.—M. A. Belanger, a pharmaceutical chemist, a graduate, 1890, of the Ontario College of Pharmacy affiliated to Toronto University. Service in pharmacy thirteen years; examiner of patents twenty-three years. had charge of chemical applications 1908, 1909, 1910.

Electro Chemistry.—J. H. Young, a graduate of Queen's University, 1910 with a degree of Bachelor of Science in electrical engineering. Patent examiner eleven years. Had charge of electro chemical applications in 1914.

Metallurgy.—J. T. Mitchell, a Bachelor of Science in engineering of Glasgow University, Scotland 1909, taking the usual course in chemistry prescribed for engineering students. Assistant draughtsman, The Steel Company of Scotland, Hallside Works, Newton, (furnace work). Engaged in metalliferous mining in Rhodesia, South Africa (mill work, amalgamating, retorting and assaying gold). From June 1913 to September 1920, employed by a prominent firm of Canadian patent attorneys in preparing and prosecuting patent applications before the Canadian and United States Patent Offices. Entered the Patent Office in 1920.

L. C. Prittie, B.Sc. of Queen's University in mining with metallurgical option acts as assistant to Mr. Mitchell.

3. All examiners whose positions have been abolished were considered competent for their work. The examiner in question has not shown the capacity of other members of the staff.

4. The holder of the position referred to was not dismissed. This position was one of three abolished for the reason given in No. 1, and as a consequence the services of the holder were dispensed with.

5. Evidently unaware of the qualifications of the remaining members of the staff, fifteen in number in addition to the senior examiner and five assistants, certain chemical and metallurgical industries and professions have represented that the abolition of the position in question would injuriously affect such industries.

C. G. S. GULNARE

Mr. BLACK (Halifax):

1. Has the Canadian government steamer Gulnare been laid up?
2. If so, on what date was the steamer laid up and for what reasons?
3. Who was placed in charge of this steamer?
4. What salary was paid to the person in charge?
5. Who is now in charge of the steamer Gulnare and what is his salary?

Hon. Mr. STEWART (for Mr. Cardin):

1. Yes.

2. The Gulnare was laid up on October 25, 1923, as the survey work on the gulf of St. Lawrence was completed for the season. On account of the reduction in the Geodetic Survey estimates it was decided to keep the Gulnare laid up for the fiscal year 1924-25.

3. The steamer was placed in charge of Captain O. J. Morin, who has been in continuous charge since April, 1920, and has given very efficient service. He is thoroughly acquainted with the gulf and lower St. Lawrence area and it is of vital importance to our Geodetic Survey that he be retained for the completion of this work. In addition to guarding the boat, Captain Morin will be kept busy effecting needed repairs.

4. During the fiscal year 1923-24 Captain Morin was paid a salary of $160 per month.

5. Captain O. J. Morin, at a salary of $160 per month.

COLONEL JOHN McCOMBE

Mr. HANSON:

1. What position does Colonel John McCombe hold with the Department of Soldiers' Civil Re-establishment?

2. What is his salary?

3. On whose recommendation was he appointed?

4. Is he carrying on at any other government work at the present time?

5. If so, what work?

6. What are his duties in connection with the Department of Soldiers' Civil Re-establishment, and how many days' time has he given to these duties during the past year?

7. How much money has he drawn in salary for the past fiscal year?

Hon. Mr. BELAND:

1. Part time Inspector of Medical Services.

2. $3,300 per annum.

3. Director of Medical Services, Department of Soldiers' Civil Re-establishment.

4 and 5. No.

6. (a) As directed, to inspect hospitals, sanatoria, clinics and all District Medical staff of the department, to report thereon; to suggest reductions in personnel that may be effected without impairing the efficiency of the service. (b) 175 days.

7. $3,300.

APPEALS UNDER PENSION ACT

Mr. CLARK:

1. On what grounds were all appeals refused under Section 12 (2) of the Pension Act as amended in 1923?

2. Can the Federal Appeal Board and the Pension Board legally award pensions on compassionate grounds under said section as amended?

3. If so, what classes are covered by the amendment?

Hon. Mr. BELAND:

1. The interpretation placed by the joint Federal Appeal Board and Board of Pension Commissioners on section 12 of the Pension Act (as amended 1923) is that a compassionate pension or allowance can only be made where pension has been refused because the death or disability of the member of the forces was due to improper conduct. Even under this interpretation no action towards the award of a compassionate pension or allowance is possible by the joint board on account of the words used in the enactment, viz: "because such case did not form part of any class of case." In the first part of section 12 provision is made for cases arising out of improper conduct consequently they do not form part of a class of case for which no provision has been made. Furthermore, the words "because such case did not form part of any class of case" exclude the interpretation that the discretion vested in the Pension Board is to be exercised by the members of the Pension board and of the Appeal board sitting jointly.

2 and 3. Answered by No. 1.

REPATRIATION OF FORMER BRITISH SUBJECTS

Mr. CLARK:

1. Is the government aware that citizens of the United States who were born in Canada, or who were formerly British subjects, are required to reside in His Majesty's dominions for a period of not less than five years, before they can be repatriated?

2. Does the government propose to introduce legislation during the present session by way of amendment to the Naturalization Act whereby such citizens may become repatriated in a shorter period of residence than that now required by the act in its present form?

Hon. Mr. COPP:

1. Yes. The interdepartmental committee appointed by the Right Honourable M. W. Ridley, Secretary of State for the Home Department, on the 9th of February, 1899, reported on the 24th July, 1901, and dealt with the question of re-admission of denaturalized British-born subjects as follows:

Sec. 35. "We do not think it is necessary to maintain the distinction made in the act of 1870, section 8, between "re-admission" and "naturalization." A person who has become an alien under the provisions of the act must before he or she is qualified for re-admission fulfil the same conditions as are required for

naturalization. We see no sufficient reason for distinguishing between a statutory and any other alien, and consider that it would tend to the simplification of the law if the provisions of section 8 were repealed and not re-enacted." This section was, no doubt, considered at the Imperial Conferences which resulted in the approval of The Naturalization Act, 1914.

2. The provisions of the Naturalization Act were settled after discussion at the Imperial Conferences of 1907 and 1911. This legislation is uniform throughout the British Empire, and amendments could be dealt with only after consideration at an Imperial Conference.

CANADA HIGHWAYS COMMISSION

Mr. KELLNER:

1. What are the duties of the Canada Highways Commission?

2. When was the commission created?

3. Does the commission disburse or administer the grants to the provinces under The Canada Highways Act?

Hon. Mr. GRAHAM:

1. The duties of a Commissioner of Highways, according to the classification of the Civil Service Commission, as approved by Order in Council (P. C. 1184) June 1st, 1920, are as follows:

Under the direction of the Deputy Minister, Department of Railways and Canals, to administer the Canada Highways Act and control the distribution of Dominion grants to provinces for highways; to confer with and give information to provincial legislatures and highway engineers relative to highway matters; to promulgate rules and regulations affecting the construction of highways coming under the act; to supervise the inspection of highways and pavements to ensure conformity with terms of the grant; and to perform other related work as required.

2. May 15th, 1919.

3. The commission recommends payments to the provinces, as provided by the act, on report of its inspecting engineers and auditors.

CANADIAN NATIONAL RAILWAYS—EQUIPMENT

Sir HENRY DRAYTON:

1. What orders have been placed for cars, engines and other equipment by the Canadian National Railways or any company incorporated therein or any other company the majority stock of which is held by the government of Canada, in the years 1922 and 1923?

2. With what companies and at what prices and terms were such orders placed, and when?

3. Were any of such orders given on a "cost plus" basis, and if so, to what companies and for what quantities?

4. Were such orders on such terms approved of by the government?

[Mr. Copp.]

Hon. Mr. GRAHAM:

1. and 2. During the year 1922 equipment was ordered as follows:—250 Refrigerator cars for Chicago, New York & Boston Co. built by American Car and Foundry Company at a price of $3,132.11 each. 1 Gasoline motor car from the National Steel Car Corporation at $27,500.00 plus Sales Tax.

During the year 1923 equipment was ordered as follows:—

Locomotives.	Price.	Total including Sales Tax.
16 Mountain Type, Canadian Locomotive Co.	$74,500 00	$1,245,640 00
16 Consolidation type, American Locomotive Co.	47,165 00	754,640 00
5 Pacific type, American Locomotive Co.	56,000 00	230,000 00
35 Mikado type, Montreal Locomotive Co.	66,500 00	2,431,453 75
10 Mikado type, American Locomotive Co.	56,795 00	567,950 00
8 Mikado type, American Locomotive Co.	56,625 00	451,208 00
10 Mikado type, Canadian Locomotive Co.	66,500 00	694,925 00
10 Switchers, Canadian Locomotive Co.	41,000 00	430,749 00
8 Switchers, American Locomotive Co.	37,570 00	300,560 00
5 Switchers, Lima Locomotive Co. ..	51,700 00	258,500 00
5 Switchers, American Locomotive Co.	38,092 00	190,460 00
3 Switchers, Lima Locomotive Co. ..	40,000 00	120,000 00
7 Transfer switchers, Canadian Locomotive Co.	52,500 00	384,037 00
Passenger equipment.		
x-35 1st class coaches, Canadian Car & Foundry	35,443 81	1,296,357 35
x-6 Comb. 1st & 2nd coaches, Canadian Car & Foundry ...	35,443 81	222,232 19
50 Express refrig. National Steel Car .	10,550 00	551,237 50
x-20 Baggage cars, Canadian Car & Foundry	24,750 00	517,275 00
x-10 Baggage cars, National Steel Car	24,750 00	258,637 50

Passenger equipment.—*Con.*	Price.	Total including Sales Tax.
x-30 Sleeping cars, Canadian Car & Foundry	49,400 00	1,548,690 00
x-10 Mail cars, Canadian Car & Foundry	29,650 00	309,842 50
Freight equipment.		
250 Refrig. cars, American Car & Foundry	3,132 11	783,027 50
1000 40-ton box cars, Canadian Car & Foundry	2,550 00	2,669,750 00
1000 40-ton box cars, National Steel Car	2,555 84	2,670,852 80
500 40-ton box cars, Eastern Car Company	2,555 20	1,277,600 00
750 60-ton Box cars, Canadian Car & Foundry	3,200 00	2,508,000 00
250 60-ton Box cars, National Steel Car	3,200 00	834,000 00
1000 40-ton Auto cars, Pressed Steel Car Co.	2,275 00	2,275,000 00
600 40-ton Auto cars, Canadian Car & Foundry	2,625 00	1,645,875 00
400 40-ton Auto cars, National Steel Car	2,625 00	1,097,250 00
100 General service cars, Eastern Car Company	2,950 00	295,000 00
100 General service cars, Pressed Steel Car Co.	2,300 00	230,000 00
100 Hopper cars, Eastern Car Company	2,750 00	287,375 00
100 Hart Ballast cars, Canadian Car & Foundry	3,264 50	341,140 00
12 Depressed centre flats, Canadian Car & Foundry	5,930 00	74,362 25
8 All Steel snow plows, Eastern Car Company	10,500 00	87,780 00
32 Ore cars, Nichols Chemical Co.	650 00	20,800 00
6 Battery cars, International Equipment Company	44,500 00	267,000 00

This equipment was all ordered on competitive bids.

The locomotives and cars which were ordered in the United States were for service in the United States.

3. Orders indicated by an "x" were purchased on a "cost plus" basis. Tenders were called for, but the management did not consider them low enough to warrant placing orders at prices quoted; therefore the management fixed an upset price, somewhat lower than the lowest quotation, and arranged with the companies on that basis, the maximum not to exceed the upset price arranged. By this arrangement the management were assured that the equipment would not exceed a maximum cost, with the added advantage that if the car companies made any saving over and above the upset price the management would be entitled to it. As a result, in most cases, the management have received credit notes from the equipment builders on the cars so built.

4. No orders placed on authority of the president.

CANADIAN NATIONAL RAILWAY—TIES

Mr. WILSON:

In the accounts of the Canadian National Railways is the cost of creosoted ties, replacing ordinary ties, charged to capital?

Hon. Mr. GRAHAM: No.

CANADIAN NATIONAL RAILWAYS—HOME BANK

Sir HENRY DRAYTON:

1. When the million dollar cheque was drawn on the bank used by the Canadian National Railways for deposit in the Home Bank, what was the remaining balance to the system's credit in the bank on which such cheque was drawn?

2. What was the total amount of other cheques drawn on said bank then outstanding, including payroll cheques?

3. What was the total amount of further cheques drawn on the said bank down to the end of the then current month including payroll cheques?

Hon. Mr. GRAHAM:

1. $3,146,180.50.
2. $759,453.75.
3. $14,524,690.90.

CANADIAN NATIONAL RAILWAYS—FIXED CHARGES

Mr. ARTHURS:

The answer to question No. 11, given on March 31, stated that the fixed charges of the Canadian National Railways as of date December 31st, 1922, were $59,400,476, but the report of the Department of Railways and Canals, 1923, gives $62,454,627, as the amount of those charges at that date.

Which figure is correct?

Hon. Mr. GRAHAM: The fixed charges as published last year included interest on inter-company securities and advances. In the interval the various companies have been

co-ordinated and combined into one system and this year's statement of fixed charges is exclusive of inter-company holdings. To make the 1923 figures properly comparable the fixed charges of 1922 had to be re-stated. In addition the first figure mentioned in the question does not include the fixed charges of the Central Vermont; the figure from the annual report of the department does.

ST. MALO WORKSHOPS—EMPLOYEES

Mr. DECHENE:

1. Has a Mr. Young been recently appointed assistant foreman in the workshops at St. Malo to replace a Mr. Langis?
2. If so, has Mr. Young a sufficient knowledge of the French language to give orders to the employees who work under him?

Hon. Mr. GRAHAM:

1. Yes.
2. Yes.

Mr. DECHENE:

1. Were two persons, named Hughes and Jackson, employees of the National Railway, at the workshops at St. Malo, in the city of Quebec, accused of larceny?
2. If so, on what date?
3. Have the accused been admitted to bail?
4. Did a trial take place?
5. If not, why?

Hon. Mr. GRAHAM:

1. Hughes, no. Jackson, yes.
2. September 10, 1923.
3. No.
4. No.
5. Charge withdrawn.

MR. M. P. FENNELL

Hon. Mr. BAXTER:

1. Was M. P. Fennell appointed to be Trade Commissioner in Europe?
2. By whom was he appointed?
3. Was the Civil Service Commission consulted and what was their action?
4. At what salary was the appointment made?
5. What was the reason for the appointment?

Hon. Mr. STEWART (Argenteuil): The answer to this question is no.

SOLDIER SETTLEMENT BOARD—OFFICE RENTS

Mr. COOTE:

1. What amount was paid for rent of offices by the Soldier Settlement Board for the fiscal year 1922-23 at (a) Edmonton, and (b) Calgary?
2. How many feet of floor space are covered by the rentals in each case?

Hon. Mr. KING (Kootenay):

1. (a) Edmonton, $15,276.67; (b) Calgary, $8,400.00.

2. Floor space Edmonton, 10,325 square feet from April 1, 1922 to February 28, 1923, (11 months), and 5,423 square feet for March, 1923. Floor space Calgary, 6,000 square feet.

[Mr. Graham.]

LATE CAPTAIN PERCY R. WHITE

Mr. BLACK (Yukon):

1. Did the government issue a policy or policies of soldiers' insurance on the life of the late Percy R. White, Captain, 39th Battalion, Canadian Expeditionary Forces?
2. If so, what was the amount of each such policy?
3. Who were the beneficiaries under each policy?
4. On what plan of insurance were such policies issued?
5. (a) What was the rate, and (b) amount of premiums collected for such insurance?
6. Did the government pay any amounts under any of such policies?
7. If so, what was the date and amount of each such payment under each policy?
8. To whom and for whom was each of said payments made?
9. If such payments were made to an official administrator for the infant son of the insured, what were the dates and amounts of each such payment and to what official administrator were such paid?
10. Were any deductions made from any of such payments?
11. If so, what are the particulars of such deductions?

Hon. Mr. BELAND:

1. One policy was issued.
2. $2,000.
3. Florence G. White, wife, and Charles R. White, son.
4. Twenty-pay life.
5. (a) Rate $4.88 monthly; (b) Total premium collected $53.68.
6. Yes.
7. (a) To Mrs. Florence G. White on her own account: November 25, 1922, $200.00; December 6, 1922, $179.70; July 27, 1922, $179.70.

(b) To Mr. F. W. Harcourt, official guardian, province of Ontario on account of Charles R. White: January 31, 1923, $379.70; August 14, 1923, $179.70.

8 and 9. Answered by No. 7.

10. No amount was deducted from the insurance payments, but pursuant to Section 10, of the Returned Soldiers' Insurance Act, the amount paid in excess of $500 was deducted from the pension subsequently awarded to the widow and child.

11. Answered by No. 10.

Mr. BLACK (Yukon):

1. What was the rate of pension issued to Mrs. Florence G. White, widow of the late Percy R. White, Captain, 39th Battalion, Canadian Expeditionary Forces, on account of the death of the said Captain White?
2. From what date did such pension accrue?
3. What was the date and amount of each payment made to said Florence G. White on account of said pension and how was the amount of each such payment arrived at?
4. What was the date and particulars of the amount of each payment made to Charles R. White, infant son of the said late Captain White, or to the official administrator for said infant?
5. What deductions, if any, were made from pension payments to the said Florence G. White, giving particulars of all such deductions?

6. What deductions, if any, were made from pension payments due to said infant, showing particulars of such deductions?

Hon. Mr. BELAND:

1. $66.67 per month.

2. July 25, 1921.

3. (a) On 18th March 1924, a payment in the amount of $1,691.41 representing:

(i) Pension to Mrs. White from July 25, 1921 to February 29, 1924, at $66.67 per month.. ..	$2,081 82
(ii)*Pension to Charles White from July 25, 1921 to October 31, 1922, at $15 per month..	228 39
Total..	$2,310 21
Less insurance payments in excess of $500	618 80
	$1,691 41

(b) On March 31, 1924, $66.27 being pension for the month of March.

4. Pension payments were not issued to Charles R. White nor to the official administrator on his behalf.

5. Answered by No. 3.

6. Answered by No. 3 and 4.

*As Charles R. White attained the age of 16 years on 31st October 1922, pension is not payable on his account subsequent to that date.

PENSIONS AND COST OF LIVING BONUS

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment and Health): On April 2, as will be found by reference to page 944 of Hansard, Hon. Mr. Manion asked the following question:

What is the total amount of money involved in the cost of living bonus added to the ordinary pensions of the soldiers and their dependents.

This question I answered as follows:

(a) To disability pensioners $4,184,375; (b) To dependents as pensioners, $3,679,200; Total, $7,863,575.

I am now advised by the department that there was an error in the computation of these figures and I therefore wish to correct them. The answer should have been:

(a) To disability pensioners $4,099,334; (b) To dependents as pensioners, $2,227,021; Total, $6,326,355.

I am sorry to have involuntarily made a statement somewhat inaccurate.

Mr. MANION: Might I ask the minister as to what classes are not given a bonus as the bonus amounts to fifty per cent and therefore should, if all were affected, amount to over $10,000,000 as the total pensions are about $33,000,000. Those above the rank of captain are not given the bonus I understand. What other classes are missed?

Mr. BELAND: It will occur to my hon. friend that, for instance, the pension for children under the age of 15 and 16 is fixed by statute at $15, $12 and $10.

Mr. MANION: They do not come under the bonus?

Mr. BELAND: No, they do not come under it. There is a class of pensioners under the denomination of dependent parents, sisters or brothers whose pension is awarded and assessed at the discretion of the board. The pension is commensurate with the need and also the degree of the dependency. This class does not come under the bonus provision, and there are other cases.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RIFLE SIGHTS

Mr. ARTHURS:

1. Has the government through the Department of National Defence given a contract for the supply of rifle sights or bases to McKay & Fraser Limited of New Glasgow, Nova Scotia?

2. If so, how many rifle sights or bases and at what price?

3. Were tenders asked before contract was awarded?

4. Does the department contemplate further orders for rifle sights or bases or does this order cover the present requirements of the department?

5. Are these rifle sights or bases adapted for use in target practice or for active military service?

6. What officer of the Department of National Defence recommended the purchase of said rifle sights and bases?

VICTORIA BRIDGE—MONTREAL

Mr. ARCHAMBAULT:

1. What was the total amount of tolls collected in 1923, on the Victoria bridge between Montreal and St. Lambert?

2. What was the total expenditure on said bridge, in 1923, for (a) maintenance, (b) salaries, (c) repairs?

3. What were the tolls collected on said bridge accruing from (a) railways, (b) electric tramways, (c) motor cars, (d) all other vehicles, (e) pedestrians?

4. How many motor cars crossed the bridge during said year?

5. How many motor cars crossed the bridge during the months of June, July, August, September and October, 1923, respectively?

UNOPPOSED MOTIONS FOR PAPERS

EGG GRADING AND MARKING

Hon. Mr. STEVENS:

For a copy of all correspondence, telegrams, and other documents exchanged between the Minister of Agriculture of the Dominion, or any officer in his department, and the Minister of Agriculture of British Columbia, or any officer in his department, regarding the regulations respecting the grading and marking of eggs.

SINGAPORE NAVAL BASE

Right Hon. Mr. MEIGHEN:

For a copy of all correspondence, telegrams, writings, or other documents, passing between the Department of External Affairs and the British government with respect to the naval base at Singapore.

CARILLON POWER DEVELOPMENT

Mr. DESLAURIERS:

For a copy of all letters, telegrams, correspondence and other documents in the possession of the government or any department of the government, regarding the development of the water-power at Carillon and permission to sell such power to the United States.

CANADIAN NATIONAL RAILWAYS—MARITIME FREIGHT

Mr. MacLAREN:

For a return showing (a) the number of tons of freight handled by the Canadian National Railways in and out of Portland during 1922 and also 1923; (b) the number of tons of freight handled by the same railway company during the same years in and out of St. John, New Brunswick, and in and out of Halifax; (c) the number of tons of freight handled by the Canadian Pacific Railway during the same years in and out of St. John, New Brunswick.

PULPWOOD COMMISSION

Hon. Mr. STEVENS:

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.

Hon. Mr. GRAHAM: In the absence of the Acting Minister of Finance (Mr. Robb) I would ask my hon. friend to allow the motion to stand until the minister is in his seat.

Motion stands.

CANADIAN NATIONAL RAILWAYS—TIES

Mr. CHAPLIN:

For a copy of all letters, papers, reports and other documents relating to the purchase of railway ties by the Canadian National Railways or any of its officials, including correspondence with the firm or firms from which the said ties were purchased, reports on the price or prices of same, and also returns and vouchers showing the cost of all creosoting plants either under construction or completed by the Canadian National Railways, during the year 1923.

Hon. Mr. GRAHAM: I should like my hon. friend to let this motion stand and he and I will have a conversation about it. As a matter of fact there are between two hundred and three hundred under tie contracts and it will be easily seen what an amount of correspondence is involved in these transactions. If there is any particular contract, or any particular dozen of contracts, we will be glad to let my hon. friend have the information. I want to point this out though, as coming from the board; they would prefer that their private business—this is private in a way—should not be made public in parliament any more than is necessary. It is not considered good business for a company of that size and dimensions to have all its transactions disclosed publicly, particularly as some of them are running at the present time. If my hon. friend will let the motion stand he and I will have a little chat about the matter and see if we can come to an understanding.

[Mr. Stevens.]

Mr. MEIGHEN: May I inquire if the minister would consider the information asked for in this motion as in any sense confidential?

Mr. GRAHAM: I have not had an opportunity to discuss the matter with the management. Some of these contracts may be only partly carried out; there may be something in them that is confidential, or not so much that as the fact that objection is taken to spreading information before the public as to entire contracts. I do not think any private company would like that to be done on such a scale.

Mr. CHAPLIN: I am quite willing to let the matter rest for a few days until I have talked the matter over with the minister. I might remind him, however, that formerly questions of this kind were asked and I do not think we, when on that side of the House, ever refused to give the information as to a year that had gone by. I realize that the business of the railway company should not be disclosed to its competitors. I do not want to ask for information as to current matters, but as to matters that are closed there ought not to be any difficulty. However, I will be glad to talk the matter over with the minister.

Motion stands.

CANADIAN NATIONAL RAILWAYS—SALES OF PROPERTIES

Sir HENRY DRAYTON moved:

For a return showing all properties sold by the Canadian National system or any company incorporated therein or operated thereby during the years 1922 and 1923, and showing the dates of such sales, the names and addresses of purchasers and the consideration paid in each case.

Hon. Mr. GRAHAM: The House will remember that on motion of the right hon. leader of the opposition (Mr. Meighen) a

return similar to the one requested in this motion was brought down last year. That return I think dated down as recently as June, 1923. It would save a lot of trouble if the hon. member (Sir Henry Drayton) would consider it an answer to this motion provided we completed the record from the date of the last return down to the present.

Mr. MEIGHEN: If all the information that would come under the general scope of this return is furnished up to that date inclusive, then certainly all that should be brought down now would be the continuation.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS—OFFICIALS

Mr. DOUCET moved:

For a return showing the names of all officials of the Canadian National Railway system, inclusive of superintendents and officials or special employees drawing salaries higher than superintendents, together with the salary of each.

Hon. Mr. GRAHAM: An order very similar to this was passed the other day, and the reply by the Canadian National Railway Board did not include salaries. The railway is run by a board by virtue of the statute, and the response to this return would have to be the response of the Canadian National Railway Board.

Mr. MEIGHEN: In that connection. I say to the minister first, that nothing of that character could possibly be considered as confidential when it refers to officials; and secondly, in the United States this material is published by the commission which has charge of such railway matters, and is a matter of public information. It would seem to be unnecessary to conceal it in Canada; but it would be utterly inexplicable coming from this government after its attitude some years ago.

Mr. GRAHAM: That applies to all railways in the United States.

Mr. MEIGHEN: Yes.

Motion agreed to.

Mr. MEIGHEN: I understand that this motion, No. 6, is carried. Is that correct?

Mr. GRAHAM: Yes, carried with the explanation.

Mr. MEIGHEN: You cannot carry an explanation.

SAVINGS BANK DEPOSITS

PROPOSAL FOR PROTECTION OF SPECIAL SAVINGS ACCOUNTS

Mr. L. J. LADNER (Vancouver South) moved the following resolution:

That, in the opinion of this House, a special committee of the House be appointed to inquire into and report to the House on the question of amending the Bank Act in order to provide for the establishment in the chartered banks of Canada of a special savings account or other class of accounts for savings deposits in addition to those now existing, whereby all holders of deposits in such special savings account in any one bank, or branch thereof, shall be protected or guaranteed against loss up to the sum of $3,000 according to a similar principle as that now provided for in sections 62 to 69 inclusive of the Bank Act relating to the protection of bank notes by the establishment of a fund known as the Bank Circulation Redemption Fund, or that such special savings account be established in accordance with some other principle of insurance, the premium of which will be paid by the depositors or the chartered banks of Canada, or both or in such other manner as the committee may consider capable of giving reasonable protection to depositors of money in savings accounts in such sums as the committee may determine.

Mr. MANION: In reading the resolution to the House, his Honour the Speaker mentioned my name as seconder. In seconding the motion I may say I am doing it pro forma. I have nothing whatever to do with it, but as the Speaker mentioned my name, I thought I would let it go in that way.

Mr. SPEAKER: If the mover wishes to associate himself with some other seconder, he is at liberty to do so. As I found no other name coupled with the motion, I saw the hon. gentleman sitting near by and I mentioned his name as seconder. Of course if there is no objection to it, no harm will be done.

Mr. LADNER: The mover of this resolution hopes that before his remarks are concluded the pro forma seconder will be the real seconder. Some days ago we had rather an extended discussion in the House on the subject matter of the Home Bank. The speeches on that occasion were largely delivered in a critical tone, and quite properly so. The purpose of this resolution is to bring to the attention of hon. members of this House some suggestion in the nature of a practical scheme in order that future depositors may be protected better than the depositors have been protected in the past. The purposes of the resolution are as follows:

To provide a definite and practical remedy for the immediate protection of the savings deposits of the great masses of our thrifty citizens.

To re-establish the confidence of the people generally in all our banking institutions.

To make possible the continuance of our smaller banks in the field of competition with the larger ones, and thus provide better service to the people of Canada.

To stop the flow of the people's savings into government bonds, government savings banks and long term investments, and to encourage the placing of the people's savings in our chartered banks, where they properly belong, and in this way to assist industry, agriculture, commerce and business in the development of our country.

The whole situation and the general interest of the public with respect to banking conditions in Canada have arisen largely from the merger of certain banks since the parliamentary committee made their report last year, and that interest has been still more increased by the failure of the Home Bank. It is not my intention to deal extensively, if at all, with that subject, but I would ask hon. members of the House to take the position of the ordinary citizen, and, putting it in a concrete form, I will ask hon. members to journey with me to Fernie, British Columbia, and to go out where the coal company is operating at Coal Creek. Let us take the position of the workingman, the small business man, the thrifty person who wishes to deposit his money in a bank and to have protection. At Coal Creek there was a little building which constituted the office of the company. At one end of the counter in the building was the pay office of the coal company and at the other end was the teller of the Home Bank. There was no other bank or means by which these men could deposit their money unless they went several miles. I will take, not a theoretical, but an actual case of a man who had occupied a prominent position and who had saved $7,200, in order that his daughters, the oldest of whom was sixteen years of age, might be taken from this place which was far in the country to some city where he could give them an education and establish them in the world as any father would like to establish his daughters. He decided, no doubt, to conduct his saving in a thrifty manner. What does the average man do? What, perhaps, did this man do? He sees a sign which tells him something about this particular bank. In glaring headlines he finds that this bank is authorized under the Bank Act to carry on business; that no institution can receive deposits unless it is carrying on business under the Bank Act. He finds that this bank has a capital authorized of $5,000,000, a capital paid up of $1,960,000 and a rest account of $550,000. Being a careful man, he wants to make further investigations.

[Mr. Ladner.]

How can he do so? He does not understand the returns which are given to parliament and very few men do. He picks off the counter where he is giving his deposits to the bank, the eighteenth annual report of the 31st May, 1923, of the Home Bank of Canada. Let us see what convinces him in this report. He finds first a splendid array of directors and officers. Then there are set out the branches, seventy-eight in number, throughout Canada, this indicating a very large and important institution. Further along he observes that dividends have been paid regularly; that the deposits of the people of Canada have been placed in this institution up to the large sum of $22,000,000, and that is a very great assurance in itself. He finds that the total assets are given at $28,000,000. Still further he looks for the auditor's report, and he finds that this is given pursuant to the Bank Act and the regulations of parliament under law. A portion of this report reads:

> The foregoing balance sheet has been examined with the books and vouchers at the head office, and with the certified returns from the branches, and is in accordance therewith. . . . .The cash has been checked and the securities of the bank verified, at its chief office, both on the 31st of May, 1923, and also at another time during the year. The cash and securities of one of the branches have also been checked, and in each case they have agreed with the entries in the books of the bank with regard thereto.

Then he turns to the report of the directors and he finds it stated that:

> The net profit for the year, after providing for bad and doubtful debts, rebate of interest of unmatured bills under discount, payment of municipal taxes, cost of management, etc., amount to $232,539.17.

The president gives this information. The auditor of this company is Mr. Jones, so the president tells the shareholders that:

> Mr. Jones' name will be submitted at this meeting for reappointment as auditor for the ensuing year... It is hoped that the changes enacted will accomplish the objects intended.

He finds that the general manager makes this comment on the solvency and strength of this institution:

> But have carried out measures of retrenchment that will inspire additional reassurance for the future.

Finally, the irony of the whole situation is embodied in this resolution of two innocent shareholders:

> That the thanks of the shareholders be tendered to the general manager, the assistant general manager and the other officers of the bank for the efficient manner in which they have respectively discharged their duties during the past year.

My purpose in reviewing that report is this: What has parliament done under the law as it stands to-day, to safeguard an ordinary citizen who takes ordinary precautions to protect

his savings? There is not the protection under the law to-day, and protection can be given if parliament is disposed to investigate the matter sufficiently and to provide that protection. In this particular case, what was the situation on the 31st May, 1923? The $550,000 of reserve was wiped out; the $2,000,000 of capital has disappeared; the whole thing can be stated in this way, that the report was a sham, a farce and a crime upon the people of Canada. In my opinion, this should not be allowed to be repeated because we cannot have a second Home Bank failure in Canada. If the government stands aside and appoints royal commissions and waits for something to turn up, we are going to have further complications in our banking institutions and we are going to have public confidence shaken still more than it is to-day. We are going to find the savings of the people drifting across into the United States, taken from our banks and put into government bonds and long-term investments, thereby imperilling and restricting the development of the industry and commerce of this country.

Some days ago when the hon. member for East Calgary (Mr. Irvine) moved this resolution, the hon. member for Pontiac (Mr. Cahill) moved an amendment, what one might call a "chloroform" amendment. The intention, according to the Journal, was to thwart and eliminate any investigation or any remedies which might and should be provided. Nevertheless, the amendment was passed.

I wish, at this stage, to repeat one or two observations that I made a few days ago with regard to the centralization of the banking business of Canada. I would ask the government seriously to consider the situation as the facts stare them in the face if they make the most cursory examination of reports which have been given to parliament by the banks themselves. We need not be under any confusion about this. We have the past before us and the present is merely a connecting link between the past and the future. The signs of the times point most decidedly to the elimination of all our smaller banking institutions and the centralization of the banking business in four or five of the largest banks of this country. What are these signs? You need take only the official returns given by the banks each month under the Bank Act and examine those in four or five respects. I have made this examination during the past thirty years. The number of our banks carrying on business under competition in Canada in 1867 was 22; in 1890, 40; in 1900, 36; in 1910, 28; and in 1924, 14. But we must, in fairness to the banking system of this country —and it is a good banking system as such— admit that banking facilities have been extended by the branches of the banks. In 1890, the banks had 402 branches; in 1900, 663; in 1910, 2,368, and at the end of 1923, they had over 4,400 branches carrying on business and giving service to the people of this country. The capital invested in all the banking business in Canada is as follows:

1890	$60,000,000
1900	67,000,000
1910	100,000,000
1923	123,000,000

But while the capital has increased approximately the small extent of 84 per cent from 1900, the volume of business handled by the banks has increased by over 1,100 per cent. In 1900 we had $1,500,000,000 according to the returns and in 1923 this had increased to $17,000,000,000. I would call the attention of the House to another significant fact, that while the capital has apparently increased, such a large amount of money has been placed in bank premises and real estate by the banking institutions that the liquid capital in 1923 was only $47,000,000 as against $60,000,000 in 1900 and $74,000,000 in 1910. All these facts are obvious to anyone who will study the situation. Perhaps the most astounding feature of my analysis, which is as accurate as possible, having been checked two or three times, is that out of a total of some $2,000,000,000 of deposits in the banks of Canada not less than 70 per cent are in the hands of the four largest institutions, leaving 30 per cent of deposits to the ten smaller banks that are struggling to exist in the field of competition. That in my opinion is the most amazing, the most important and the most significant feature of all the signs that point towards centralization.

Let us see what the situation has been in the past thirty years. In 1890, 30 per cent of the deposits were in these four largest banks, while 70 per cent were in the other banks. In 1900, 40 per cent were in the four large banks and 60 per cent in the others; in 1910 the proportion stood at 45 per cent in the four and 55 per cent in the others; and in 1923 the percentages were respectively 70 per cent in the four largest banks and 30 per cent in the rest of our banking institutions.

Mr. MARCIL (Bonaventure): I do not like interrupting the hon. gentleman, but I think, Mr. Speaker, that the present discussion is out of order. It is a well-known fact that when any subject has been referred for consideration to a committee of the House, no resolution dealing with the same questions

involved shall be debated. I find that on March 27, a resolution was adopted in this House by which the whole question of banking and the protection of the interests of depositors generally was referred to a standing committee for consideration. The proposition advanced by my hon. friend (Mr. Ladner) would be quite properly debatable at the present time had that committee, to which this subject was referred on March 27, already submitted its report. I question very much whether the hon. member is in order in discussing this matter to-day in the absence of that report. I may quote May on this point:

> Until the report and evidence have been laid upon the Table it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee. If a committee, at the conclusion of their inquiry, make a final report to the House, the sittings of the committee are assumed to have been closed; and if further proceedings were desired, it would be necessary to revive the committee.

Mr. McMASTER: No doubt the hon. member is addressing the House, because we can see his lips moving; but it is impossible for us to hear a word he says.

Mr. MARCIL (Bonaventure): I am citing May in support of the objection I have raised to the discussion of the motion before the House. I stated that I had grave doubts as to whether the hon. member was in order in proceeding, in view of the fact that on March 27, the House adopted a resolution referring the Bank Act and everything connected therewith, as well as the Home Bank situation and the question generally of protecting the interests of depositors, to a standing committee for consideration and report. That committee is the select standing committee on Banking and Commerce, whose report upon the questions referred to it is not yet before the House, and the hon. member (Mr. Ladner) is now moving for the appointment of a special committee to deal with some of these questions. I am submitting that until the report of the other committee is before the House the present discussion is out of order.

Mr. LADNER: The motion of the hon. member for East Calgary (Mr. Irvine), to which my hon. friend is referring, was stated in very general terms. That resolution may or may not relate to the specific proposal which I am now asking the House to consider. It may simply investigate a general principle; and although I have not by me the authority on the question, I submit that under the rules, where the House is asked to consider a specific and concrete proposal and refer the same to a special committee, such a motion is entirely distinct from any general question which a select committee of the House may be considering.

Mr. BAXTER: May I suggest, Mr. Speaker, that the distinction has been very well drawn.

Some hon. MEMBERS: Louder.

Mr. BAXTER: Oh, wait until I get up steam. A distinction may very well be drawn between debating a matter that has been referred to a select committee of the House and the appointment of a committee which will withdraw from any other committee, a specific question which does not seem to be clear under the circumstances. If this resolution sought to express an opinion as to what should be done in regard to something that has been referred to a committee it would be encroaching upon the subject matter so referred. But this is a concrete proposal, to place a specific part of the subject in the keeping up a special committee to be appointed for the purpose of considering it, and I submit that it is entirely different from the case cited by my hon. friend.

Mr. SPEAKER: Does any other hon. member desire to speak to the point of order?

Mr. MACLEAN (York): A motion similar to this, I understand, has already passed the House.

Mr. SPEAKER: The hon. member will find that motion in the Votes and Proceedings of Thursday, March 27, 1924.

Mr. MARCIL (Bonaventure): The original motion of the hon. member for East Calgary was amended and the following resolution was finally adopted by the House:

> In the opinion of this House, in view of the failure of the Home Bank and of the fact that official prosecutions and inquiries have been instituted, including the royal commission which has been appointed to investigate the facts alleged in the petition represented by the depositors of the Home Bank and the affairs of the bank generally; and considering that the evidence received and to be taken before the several tribunals will be available for consideration, the select standing committee on Banking and Commerce should be instructed to consider the provisions of the Bank Act with a view to recommending such amendments to the act as will better protect the interests of depositors generally and will prevent similar occurrences in the future; and also to consider the report of the royal commission in its bearing upon these matters and with respect to the possibility of saving the Home Bank depositors from loss.

The whole question therefore has been referred to a standing committee of the House and until the report of that committee has been received I submit that the present discussion is out of order.

Mr. LADNER: Does the hon. member say that the whole question has been referred to the committee?

Mr. MARCIL (Bonaventure): Yes, everything connected with the banks and the Home Bank, as well as the protection of depositors generally.

Mr. RYCKMAN: The resolution, as it appears on page 730 of Revised Hansard has reference to the Home Bank, and when it refers to the depositors of the bank, and the affairs of the bank generally, the reference, I submit, is to the depositors of the Home Bank. The concluding sentences of the motion of the hon. member for East Calgary (Mr. Irvine) show that the hon. gentleman had reference to the Home Bank situation. I am not speaking as one entirely in sympathy with the resolution now before the House, but I think it must be apparent that the present motion deals with the larger field of savings accounts generally and is certainly distinguished from the object of the resolution of the hon. member for East Calgary. In a word, no one can read the resolution as it finally passed the House without coming to the conclusion that the depositors concerned are those of the Home Bank, and that where the reference is to depositors generally it is to depositors of the Home Bank by reason of the context, the preceding clause and the succeeding clause both referring to Home Bank depositors and Home Bank affairs.

Mr. SPEAKER: Does any other hon. member desire to address the Chair?

The question before the House is whether or not this is the revival of a previous debate. Is it in order to move a resolution to refer to a special committee the question of protecting the depositors of any bank by the creation of a redemption fund when another debate bearing on this point took place a few days ago? As the senior member for St. John and Albert (Mr. Baxter) stated a moment ago, this is a concrete case. True, on the 27th March the House decided to refer to the committee on Banking and Commerce the question of whether depositors generally should not be protected by an amendment to the Bank Act. This might be said to include the subject matter of the present resolution, but I see a distinction in the fact that in one the reference is vague and general, while in the other there is a specific plan proposed to protect depositors. It aims at creating a new machinery by which the savings of depositors will be guaranteed.

The rule is well known, and will be found in May's Parliamentary Practice at page 267:

> It is a rule, in both Houses, which is essential to the due performance of their duties, that no question or bill shall be offered that is substantially the same as one on which their judgment has already been expressed in the current session.

And at page 289 the rule is commented on as follows:

> It is a wholesome restraint upon members, to prevent them from reviving a debate already concluded; and there would be little use in preventing the same question or bill from being offered twice in the same session, if, without being offered, its merits might be discussed again and again.

At first sight I might be of the opinion that this resolution is a revival of the earlier debate, but I do not find that substantially, to use the language of May, the same question is involved which was then at issue. A concrete plan, a redemption fund, is now proposed to protect depositors of money in savings accounts in the chartered banks of the country. Under these circumstances I am inclined to permit that the debate be continued, but I would suggest to the hon. member that later on he amend his motion and refer the question with instruction to the committee on Banking and Commerce and not to a special committee.

Mr. LADNER: Mr. Speaker, I think your suggestion is the best method of handling the matter and I am quite willing to adopt it.

The proposal which I am submitting to the House is that savings accounts up to a limit of $3,000—because I do not think it is practical to guarantee deposits in excess of this amount—should be protected under a principle of insurance somewhat similar to that relating to the protection of bank notes. There was a time when the holders of bank notes were ordinary creditors, but the chartered banks, alive to their interests, and out of consideration for the public interest too, because it was in the public interest—

Mr. IRVINE: If I may interrupt the hon. member—supposing I had $12,000 to deposit, could I not make four deposits in so many banks, and be protected to the extent of $3,000 in each case?

Mr. LADNER: I do not see that there would be any objection to dividing the money into four deposits as suggested. On the contrary, I think it would be an advantage because it would distribute the deposits among several banks, and their services would be extended accordingly.

In 1879 the Bankers' Association came to parliament with the request that legislation be passed to give priority to the holders of bank notes against the estate of a defunct bank.

That priority extended not only ahead of all other creditors, but to my knowledge it is the only instance in which debts due to the Crown take second place. I do not think I can better explain to the House what then took place than by quoting from a little pamphlet, Canadian Banking, written by the late Sir Edmund Walker. It seems to me that in the death of Sir Edmund Walker Canada has lost one of her big men. He was not only a philanthropist, but a patron of art and literature, and he also took a keen interest in education. In a word, he was the type of man that helps to build any country in a real and material way. At page 22 I find the following:

4 p.m.

> Since 1880 note issues have been a prior lien upon the estate of a bank, prior even to a debt due to the Crown. This legislation was prompted by the failure of a small bank in 1879, which did not pay its notes in full. The bankers had urged such legislation in 1869, and if they had succeeded in obtaining it then, we should be able to say to-day that, without further security than this prior lien on all assets, note issues had always been paid in full, no matter how bad the failure of the issuing bank.

Then on the following page this will be found:

> And, while it might be confidently asserted that all bank issues secured by being a first lien on the estate of the banks would eventually be paid in full, it was nevertheless true that, because of doubt and delay, the notes of a suspended bank might fall to a discount for the time being. To meet these two defects, the bankers at this time proposed the following new features which were adopted by the government:
>
> 1. To avoid discount at the moment of suspension of a bank, either because of delay in the payment of the note issue by the liquidator, or of doubt as to ultimate payment, each bank is obliged to keep in the hands of the government a deposit equal to five per cent on its average circulation, the average being taken from the maximum circulation of each bank in each month of the year. This is called the Bank Circulation Redemption Fund, and should any liquidator fail to redeem the notes of a failed bank, recourse may be had to the entire fund if necessary. As a matter of fact, liquidators are almost invariably able to redeem the note issues as they are presented, but, in order that all solvent banks may accept without loss the notes of an insolvent bank, these notes bear five per cent interest from the date of suspension to the date of the liquidator's announcement that he is ready to redeem.

Sir Edmund Walker refers to the experiences in the United States, and says:

> Both of these reforms were suggested by the writer but, like many other features in our act, they were prompted by the experiences of the United States in the period preceding the national banking system.

Mr. SHAW: Is it not a fact that the bankers opposed the institution of the very reform the hon. member has mentioned, and that parliament took action regardless of the views of the bankers?

Mr. LADNER: On the note issue?

[Mr. Ladner.]

Mr. SHAW: In connection with the protection of the note issue.

Mr. LADNER: It was Sir Edmund Walker, one of the leading bankers, who made this proposal, and the bankers fought for it for a number of years before they were able to get it through.

Mr. MACLEAN (York): Now it is there, does the bank sidestep it and make the redemption of the notes the first charge on depositors' money in the bank?

Mr. LADNER: If the hon. gentleman had followed the previous lines I have just read, he would have heard that the priority is created by statute, by the law of 1880, which gives a prior lien on the estate of a defunct bank ahead of all other creditors whatsoever, including the Crown. I should like to finish the quotation from Sir Edmund Walker's pamphlet:

> That our bank notes are abundantly secured, so far as the public is concerned, seems evident from the fact that a note circulation at 31st December, 1922, of $176,201,351 was in effect secured by a prior lien on total assets of $2,618,638,104, to which must be added the double liability of the shareholders on the capital stock of the banks, making a total of $2,743,930,038. That the banks are not likely ever to lose a dollar by the system of guaranteeing each other's notes seems quite clear. Daily redemption and other features in the act make it difficult to create a forced circulation and, although we have had several fraudulent bank failures, there has never been a case where the assets on which we had the first claim did not easily protect us.

Now my proposal is this: If the bank notes which at any given moment during the period of non-business hours are held chiefly by the banks of the country are so amply and exceedingly well protected, surely parliament in the face of the experiences of the past, and especially in the face of recent experiences, has a duty and a responsibility to protect the man on the street who knows nothing about these matters. Some will say that this proposal is not practicable, that you cannot work out a guarantee system. In fact, I have here a little booklet issued by the Bankers' Association called The Bank Act—Its Audit Provisions and the Suggested Guarantee of Deposits, and the whole substance of the contention in this booklet is a general guarantee of deposits.

I have explained how it was worked out in the United States, where a guarantee of all the deposits was undertaken by each bank guaranteeing the deposits of the others. My proposal is entirely different from that. My proposal is that we build up an insurance fund on a system of premiums by which the citizen who wants mainly protection, who puts

his money into the bank so that he may find it there when he wants to draw it out a week or a month or a year from now, will pay a portion of the premium, and the banks also, having increased deposits by reason of this arrangement, will pay a portion of the premium. How does this work out? We have the authority of one of the foremost men perhaps in the world on this particular question, of which he has made a study. In the report of the Comptroller of Currency for the United States, in 1921, at page 20, it is explained:

Full Guaranty of Bank Deposits for $25 per Million of Deposits

During the past six years of stress and strain the losses to national bank depositors from failure have been reduced to such unprecedentedly low figures that an annual charge on all deposits of 2½ ten-thousandths of 1 per cent of deposits would have been more than sufficient to cover all such losses accruing to the depositors of our national banks for this period. It is believed that it would be preferable at the outset, as heretofore recommended, to begin with a guarantee of deposit balance of $5,000 or less, and the guarantee plan can then be developed in accordance with the lessons of actual experience.

If the excellent record made by the national banks in the past six years in the matter of immunity from failure should be maintained the government could meet all such losses arising from the guarantee of national bank deposits from 1 per cent of the annual profits which it will receive as a franchise tax from the operation of the Federal reserve banks, if we assume that these reserve banks in the future should only make one-half of the net earnings which they have made in the past 12 months.

No better way can be suggested for bringing into life and getting back into circulation the enormous amount of money which is now hidden and stored away and kept out of banks by timid and nervous owners.

That is exactly the situation in Canada. He continues:

The guarantee of all deposits of national banks of $5,000 and less would give complete security for their money to more than 19,000,000 depositors whose deposits in the national banks at this time are estimated at about six thousand million dollars. The remaining individual deposits in national banks, about eight billion dollars, stand to the credit of depositors whose balances exceed $5,000 and those larger depositors aggregate in number, according to the latest estimates, considerably less than 5 per cent of the total number of depositors.

In Canada the deposits on demand, which are saving deposits, amounted on September 30, 1923, approximately to $1,100,000,000, or a little over one billion dollars, so if the same rate were applied in Canada, where according to the best authorities we have fewer failures, the rate of insurance would really be less than it is in the United States, and it would still further be less when you consider that this proposal asks for a guarantee of deposits only up to $3,000, and not for the full amount of the deposits, upon which basis the Comptroller of Currency works out his report.

To summarize, my proposal in short is this: To leave the business of banking with all its intricacies, as it has been built up on experience, exactly as it is. Let the banker's skill and judgment and his responsibility go together. Parliament should not unnecessarily meddle in the complicated business of banking. But in addition to the existing accounts, current and savings, my suggestion is that we create this special class of account so that the man who walks off the street into one of these great pillared institutions and sees the figures across the window showing the bank's capital, but knows nothing about its balance or its solvency, will know that his money will be there when he wants to draw it out a week or a month or a year from now. It is not only the man who does not know much about banking that will take advantage of that class of account. Though that class of account will pay only 2.9 per cent on the money deposited, the depositors' money will be protected, and many people who wish to make deposits will deposit their money in this guarantee account. Others may prefer to put their money in the ordinary bank which they think is safe, and where they will draw three per cent. In this way not only will the depositors have protection, but there will be increased confidence in the banks. The confidence of the people in many of our banks has been shaken, and if we are going to have the smaller institutions remain in business we have to do something, and do it in the near future, in order to retain deposits in these smaller banks, and stop them wandering across into the United States or into our larger banking institutions, or into the Ontario savings office and other institutions throughout the country.

It is perhaps unnecessary for me to point out to the House that under the Bank Act our chartered banks have very great and very important privileges. They have the exclusive monopoly of the business of banking. They have the privilege of note issue, on which they earn large sums of money without, you might say, paying anything for it. They have the right of rediscount facilities under the Finance Act, whereby if they are short of capital they may take their securities to the government and say: "Here, we have these securities but we are short of money; you lend us the money on these securities," and the government at once issues notes in accordance with the Finance Act.

Mr. MACLEAN (York): Where do these notes go?

Mr. LADNER: To the bank in exchange for securities.

Mr. MACLEAN: (York): No, to the Central Gold Reserve in Montreal, where they are burnt and bank notes substituted therefor.

Mr. LADNER: The national notes are in addition to the notes the banks have issued. That is a different proposition. I suggest that a proposal of this kind should be placed under the Department of Finance.

Now I do not doubt that hon. members who oppose my motion will show that these facilities are provided by the post office savings bank; that if people want protection for their money they do not need to go to the chartered banks at all. I submit that such is not the case and for these reasons. In the conduct of the post office savings bank business you must appear personally at the post office wicket. There are no checking privileges, you cannot write cheques on the bank, you have got to go there and draw out your money. In British Columbia, for example, you have to file your application and wait until the application goes down to Ottawa, where the money has been deposited, and the funds come back. In other words between the time of your asking for your money and the time of receiving it a period of approximately fourteen days elapses. Furthermore, in the case of the post office savings bank you are only allowed to deposit $1,500 a year and the whole business and machinery connected with the institution is very slow. But there is a much more serious objection to that proceeding than any of those I have mentioned. I contend that it is unsound in principle and is not in the best interest of the country that governments, either federal or provincial, should open savings banks at all. If we had sufficient protection in our chartered banks you would not need to have the provincial and Dominion governments establishing banks from one end of Canada to the other, increasing the rate of interest in order to induce people to put their money into those banks, thereby attracting money from the chartered banks and paralyzing industrial and agricultural activities—because that money in the chartered banks is loaned in the interest of the industrial expansion of the country. The whole principle of these government savings banks is unsound; and for my part I should like to see the post office savings banks, the Ontario savings offices and the Manitoba savings banks offices, entirely wiped out, because that would be in the best interests of the very people that these institutions are intended to serve. Let us suppose, for example that we carried this principle even further than it has been carried. Let us suppose that every province has its savings banks as well as the Dominion, and that everybody is invited from motives of self-interest as well as for reasons of loyalty, upon every ground of sentiment and profit, to put his money into these banks, what would be the consequence? It must be clear as it is possible to demonstrate that to draw the savings from the chartered banks and the banking institutions would leave no money to develop the business and industry of the country. Therefore I submit, Mr. Speaker, that this deposit feature should not be encouraged by this government or by parliament.

Mr. WOODSWORTH: Where do these deposits go that are put into the provincial savings offices?

Mr. MACLEAN (York): They are growing every day.

Mr. LADNER: They are growing every day as my hon. friend (Mr. Maclean) says, because of the fright which the people have received. Now, in answer to the question of the hon. member (Mr. Woodsworth), these deposits presumably are to be kept on hand by the provincial government and repaid on demand. To that extent the provincial government is in the banking business. But that government will have no use for the money unless it is able to employ it for some purpose of its own. It naturally uses it in public works and the general conduct of government business with this result: That while the government presumably will repay this money on demand, the actual fact is that it has locked it up in permanent improvements. The government is therefore using for that purpose the savings of the people instead of going on the markets of the world and securing money at the cheapest price.

Mr. WOODSWORTH: Another question if the hon. member will permit it. If the government did not use this money for improvements and for the carrying on of its business would it not otherwise have to draw supplies from the regular chartered banks?

Mr. LADNER: No. My hon. friend must distinguish between the two classes of money. One is short term money which the banks loan at sixty, ninety or one hundred and twenty days and which they are free to draw on demand, or rather on fifteen days' notice. By experience the banks are able to estimate for how long a period people needing money will require it and they loan it for a specified time. That is short term money. The whole banking system of Can-

ada, however, as may be ascertained by reference to the charter of the Bank of Montreal, was designed to develop the commercial and agricultural business of the country. What the government wants, as I explained before, is investment money. It wants money that it can use to build roads and other improvements, and the taxpayers will have to provide for this on a sinking fund basis extending over a period of years. The government should go, when it needs money, on to the markets of the world and borrow at the very cheapest price it can. Bonds are issued for the purpose and at maturity these bonds are liquidated.

Mr. SHAW: Is it not a fact that the Post Office Act requires that the money deposited in the Post Office Savings Bank and in the provincial government savings office should be deposited in a chartered bank?

Mr. LADNER: That is not my understanding. I do not see how the Ontario government is going to pay four per cent on deposits, and then re-deposit that money in a chartered bank and only receive three per cent for it.

Mr. SHAW: I am referring to the Post Office Savings Banks and the provincial government savings offices.

Mr. LADNER: Well, the money in the Post Office Savings Banks goes to the Receiver General. Presumably it is there on demand, but the fact is that the government does not keep that money there, paying interest on it, receiving nothing for it and waiting for people to ask for it. I am of the opinion, on information received from an authoritative source, that the government uses that money in the course of its business. The point of my contention is that the government takes that money from the banks which should be used for the business and industry of the country. Now that is not a sound principle, nor is it in the interest of the country at large.

Mr. MACLEAN (York): Is it not possible to modernize the government savings banks? My hon. friend referred to the Receiver General's offices which formerly received deposits in Canada. I want to ask him how these offices have disappeared. For some reason these offices have surreptitiously disappeared from practically every province but two—the Maritime provinces and British Columbia. These offices have been closed in Toronto and Quebec. Why?

Mr. LADNER: I am sorry the Receiver General is not here to answer the question as to the surreptitious closing of these offices. I am not in possession of the facts that would explain it. I am endeavouring to advocate the principle which I claim to be sound in finance and sound in economics. That is that the government must not take the savings of the people from our chartered banks and sink them in public works when that money is needed in connection with the business of the country, and there is no man who has studied the proposal for a moment but will admit my contention.

I do not know that there is very much more for me to say on this question. I see that I have exhausted my notes but undoubtedly there is a great deal that can be urged for the proposal. My desire is to have parliament consider some constructive proposal that may be the basis upon which a more practicable scheme may be worked out. Parliament especially in view of the experience of the last few months should come to the aid of the citizen who avails himself of the banking privileges of the country and give him the protection to which he is entitled, even to the limited extent that I advocate. I cannot see how any hon. member can deny the justice, the merit, or the reason of such a proposal, and if any arguments exist against the working out of a scheme of this kind I should like to hear them. I have spoken to many people and have discussed the question with leading financiers of Canada and men who understand the subject far better than I do.

Before I sit down I must formally ask, with the leave of the House, that instead of the resolution being referred to a select committee, it be referred to the committee on Banking and Commerce. The Speaker made the suggestion and I had it in my mind. I move to strike out the words "a special" insert the words "the Banking and Commerce", and strike out the words "be appointed" and substitute therefor the words "be directed".

I think the formalities of parliament require the consent of the House to this motion.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): The hon. member must obtain the unanimous consent of the House to amend his motion. Will this consent be given?

Some hon. MEMBERS: Carried.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): Then the motion will be that this resolution, instead of being referred to a special committee will, if adopted, be referred to the Banking and Commerce committee.

Mr. H. E. SPENCER (Battle River): I wish to congratulate the hon. member for Vancouver South (Mr. Ladner) on bringing this all-important subject before the House. I cannot agree with his entire argument, but with part of it I am in complete accord. I intended to quote from a leading article in the Toronto Saturday Night in regard to insuring of deposits. I notice the hon. member who preceded me covered the points to a certain extent, and I will try to omit any repetition of his statements. The article in the Toronto Saturday Night reads:

> The main arguments in favour of such a system—

That is the system of insuring deposits—

> —according to the United States controller are, that it would bring from hiding places many millions of dollars of hoarded money, a contingency which we now genuinely face; that it would largely prevent runs on the banks, and that such a law would contribute largely to the unification and solidarity of the banking system.

Then it goes on to quote the very small percentage that it would cost to insure such deposits; this figure was given to us by the hon. member who moved the resolution. The article proceeds:

> It might be well if the members of the Canadian Bankers' Association discussed seriously the adoption of some such system, for as Mr. Cherry points out in his communication, stable and normal conditions are a prime necessity at this time.

I have been led to understand that banks have been bolstered up by the government for some years, and that hardly a year goes by in which some bank does not request the government to lodge deposits with them to help them through a crisis. I wish to place on record some figures that have been very carefully compiled as to the relation of the Dominion government to chartered banks in regard to deposits, and advances under the Finance Act. These figures relate to 1923 and the statement reads as follows:

> A statement of deposits made by the Dominion government in the various chartered banks shows that as deposits were reduced by the withdrawal of deposits by the public from a number of chartered banks in Canada last fall, (particularly the month of October 1923) deposits in these particular banks by the Dominion government were increased.
>
> While this policy was followed in regard to the Dominion, Union, Standard and Sterling Banks, the reverse policy was followed in the case of the Home Bank. To what extent did this policy of the government assist the four banks named, and to what extent did the reverse policy in the case of the Home Bank contribute to the failure of that bank?

In January 1923, taking the Dominion Bank, we find they had in current accounts and savings accounts $88,400,000 in that bank. I will not bother the House with April and July, but I can give the figures if required.

[Mr. C. Marcil.]

In October this amount had dropped to $77,600,000. Now let us look at the amount the government of Canada had on deposit in the Dominion Bank in these months. In January it had $1,800,000, and in October it had increased to $6,016,853, and there was due to the Dominion under the Finance Act $2,800,000.

In the case of the Union Bank we find that in the month of January the public had deposits to the extent of $92,900,000. In October that had dropped to $82,200,000. Turning again to the amount the government had on deposit, we find that in January it only had $268,000, while in October it had increased to $1,588,000, and under the Finance Act it had $12,500,000 in addition. In the case of the Standard Bank the same line was followed. In January they had $60,600,000 in public deposits. In October the amount dropped down to $48,100,000. On the other side we find the Dominion government had on deposit only $329,000 in January, but in October they increased the deposit to $8,600,000, while the bank owed under the Finance Act no less than $3,000,000.

Turning to the Home Bank for a moment, in January that bank had of the public's money $18,100,000. In the month of June that had increased to $19,200,000, but as far as the government deposits went, the deposits were decreased instead of increased as in the other cases. In January the government had in the Home Bank $243,000, but when the bank went smash on the 17th August the government had withdrawn these moneys, leaving only $9,000 there. Hon. gentlemen will notice from the aforesaid that when deposits were withdrawn by the public from the Dominion Bank, the Union Bank and the Standard Bank, the Dominion government increased its deposits with them, but in the case of the Home Bank the reverse took place. The public, having confidence in the Home Bank, increased their deposits in January from $18,100,000 to $19,200,000 in June, and when the bank went smash, although the Dominion government had the sum of $243,000 in the Home Bank in January, it had only $9,000 in that bank on the 17th August. The question arises, did the action of the government materially hasten the bank into liquidation?

In the discussion which took place in this House a few nights ago the ex-Minister of Finance (Sir Henry Drayton) stated that in his opinion this bank should not have been allowed to go to the wall. It looks very much as if they had intentionally saved the other banks. The question arises: Why were the depositors of the Home Bank not helped in the same way as the depositors of the other

banks and that bank kept alive? It is interesting to see what such a conservative paper as the Toronto Saturday Night has to say in an editorial with regard to the present situation of our banks:

The mere fact that a financial institution, manned by several men of eminence in the community, had been enabled to carry on business for years, sell shares and accept deposits, while literally bankrupt and so regarded by the inner circle of financiers, has robbed the community at large of that sense of security which the Canadian banking system was supposed to symbolize. Let it be remembered that last winter when the Bank Act was up for revision, the public received solemn assurances from eminent men that the Canadian system was the best ever devised for the protection of the public; and a few months later were confronted with the spectacle of the rankest failure that has been known in Ontario since confederation. What wonder if the psychological effect has been general distrust?

There was also this aggravating circumstance: The erroneous impression had been abroad that it was now the policy of the Bankers' Association, as a body, to take care of depositors in case one of its members fell by the wayside. This was the general impression gained from replies to critics when the whole question was before the parliamentary committee on banking at Ottawa last session. When this impression proved false, there arose a deep-rooted feeling among vast masses of people that the whole financial community was engaged in a conspiracy against them.

Now it is clear that the Bankers' Association and the Finance department of Canada must get together and do something to restore the public morale... It would perhaps surprise eminent members of the banking profession to learn how many thousands of people to-day believe that the reason they have resisted government inspection is that they have something sinister to conceal.

I have never been able to understand why no encouragement was given to the public at large, to place their savings in post office savings banks. The only reason I can see why more encouragement was not given is because of the intense propaganda put forward in all parts of this country that the present commercial banks were absolutely safe and could take care of or practically guarantee the deposits of the people. I do not understand why—I think it was in 1897—the interest on savings in the post office savings banks was cut down from four to three per cent, unless it was to prevent competition against commercial banks. I cannot understand why the people have not been encouraged to place more money in post office savings banks, particularly when the government has been borrowing continually for its needs. If we had increased the interest from three to four per cent or even to four and one-half per cent when the government was wanting money so badly; it would have been, not only a good thing for the public, but a great saving in the matter of interest to the government itself. Further, I do not understand why a restriction is placed on people using the post office savings banks, why there should be a limit to the amount of $1,500 per annum, and why, when anyone gets an amount of $5,000 placed in that department he should be refused any more interest. This looks very much as if all the regulations with regard to post office saving banks had been made to fit in with the particular wishes of the commercial financial institutions.

Mr. MACLEAN (York): Banks.

Mr. SPENCER: I do not intend to take up the time of the House in going over the unhappy history of what has taken place during this past year. I might, however, refer to these disasters as an orgy of failures. This came as an utter surprise to the people of Canada, particularly after the intense efforts that were made to remedy various deficiencies in the Bank Act last year, many of those efforts being unfortunately without effect. I should like to draw the attention of the House to the fact that the condition that we have gone through in the last eight or nine months was prophesied by a Canadian who had taken a very great interest in the financial life of this country during the past twenty years. I wish to point out the work of a Mr. W. L. Baker, once with the Standard Bank of Canada, who in 1921 issued a book entitled Money Monopoly vs. the Community Dollar in which he drew the attention of the Canadian people to the very serious condition of the banking institutions of Canada and the lack of all guarantees to the savings of the people. Some time before the Home Bank failure took place, the following rather extraordinary editorial came out in the Financial Post on February 23, under the title of Banking and Banking.

Canadian Banks are chartered by the Dominion government, and are operated under strict regulations as regards their trusts of money deposited by the public, and even in the event of failure there would be no loss to the depositors.

I wish the House to note that.

Shareholders might be expected to face a loss, but not those, who in good faith had placed their money in the keeping of the bank. Statutory provision provides against any such an eventuality.

Mr. W. L. Baker at once replied in the public press, in part saying:

There are no strict regulations, no statutory provisions which make loss to depositors impossible in the event of failure of a bank, and yet this is exactly what the Post says obtains in our Canadian system. There is no legislation which compels the bank to be any more careful in investing the savings of the people than restrictive or protective legislation regarding any phase of banking or banking funds.

The statements, coming out during this session, I am sure, will not only enlighten the people of Canada to the position they are

in, and the inability of the present financial institutions under the present Bank Act to guarantee the savings of the people, but create a demand for some system whereby the thrifty of this country can know that they can be guaranteed that their savings will be looked after. At a later date, again before these financial calamities came upon Canada, Mr. Baker, in writing to the Busy East magazine, made the following statement;

Canada is approaching a serious crisis in her banking business.

I desire to put that on record because no credit has been given those who have predicted the present situation and tried to guard the people against the tremendous losses which have been incurred during the last twelve months. I again express appreciation of the efforts of the hon. member for Vancouver South (Mr. Ladner), or any other hon. member of this House who may bring forward resolutions with the object of trying to improve the financial institutions of the country. I am entirely in sympathy with his amendment to have this matter go to the committee on Banking and Commerce, and I hope we shall be far more successful than we were a year ago. At any rate, I believe the matter will receive more sympathetic consideration.

Mr. W. F. MACLEAN (South York): While I do not altogether agree with the motion, I think it is proper that the matter under consideration should go to the Banking committee. I would point out this important consideration, that when a question comes up in parliament in which the depositors of the country are so much interested it is unfortunate that the Prime Minister (Mr. Mackenzie King), the Acting Minister of Finance (Mr. Robb) and, on this side of the House, the ex-Minister of Finance (Sir Henry Drayton) and other leaders should all be absent, so that it devolves upon private members to discuss the most momentous subject before the people to-day.

In regard to the post office savings bank, the hon. member whose motion is now before the House (Mr. Ladner) expresses the opinion that this institution is no good. Why is it no good? Simply because we have not made it so. Why do we not modernize this savings bank so as to provide that cheques shall be marked at the office of deposit and be acceptable in any other institution in the country, going through all the clearing houses? There seems to be an organized effort throughout the country, largely on the part of the banks themselves, to stifle the post office savings bank. During the last twelve or fifteen years I know that the government of the country was taking savings on deposit from the people all over Canada at the Assistant Receiver General's office in each of the various provincial capitals. I remember that the Deputy Receiver General's office in Toronto received deposits payable on demand from the public, and paid interest; and that practice prevailed throughout the country. I have been trying to ascertain just what has happened in the last fifteen or twenty years, and it seems that some one closed the Deputy Receiver General's office in Toronto against the receiving of deposits, while, for some reason or other, these offices have been kept open in the Maritime provinces and in British Columbia, as I am informed, so that deposits are still made and money withdrawn. Now, I should like to have the Acting Minister of Finance here to-day to inform the House how that change came about.

Mr. BUREAU: That will be a proper subject for investigation before the Banking committee.

Mr. MACLEAN (York): Yes, and this House, too, is a good place in which to investigate it, for we will have the Minister of Finance with us.

Mr. BUREAU: The Banking committee is a body delegated by the House to consider such subjects.

Mr. MACLEAN (York): But I submit that the responsible minister, who I hope is here to take care of the public interests, should be present to answer questions in reference to these matters.

Mr. BUREAU: Put your question on the order paper.

Mr. MACLEAN (York): I will bring it up at the proper time when I have the opportunity. What I am pointing out is that while this system of receiving deposits at the various offices of the Receiver General in Canada has been discontinued throughout Canada, it still obtains in the Maritime provinces and in British Columbia. The finest note we have in this country is the national note of Canada in one and two dollar bills. These notes circulate everywhere, and in the western provinces within the last few months national notes of five and ten dollars denominations have been used in the purchase, I believe, of grain and in other ways as well. We have the right to issue those, or larger, notes, but some one put a stop to it and the banks have sub-

stituted their notes for them. If the one and two dollar notes are good, why should not the fives, the tens, the fifties and one hundreds be issued in Canadian national notes instead of having bank notes? The bank notes have to be redeemed; and they are not redeemed, as the late president of the Canadian Bank of Commerce stated, by the banks themselves; they are actually redeemed by the money belonging to depositors in these banks. And when a depositor thinks he is going to get his money which he has placed in the bank he finds that a lot of it has been grabbed to take care of notes issued by the bank. That is something that should not continue. In the United States there is only one currency, the national currency; and the best currency in the world to-day consists in the national notes of the United States. The greenback to-day is the greatest note in the world, and next to that is our Canadian national note. We have these notes in circulation in Canada, principally ones and twos, and I see no reason why fives and tens should not be in use as well. That is a question which I should like to have the Banking committee investigate. I may say that we have issued notes of five thousand and ten thousand dollars, but the banks get them by way of discount with the government. Do they put those notes into circulation? Not at all; they deposit them in the Central Gold Reserve in Montreal. This of course is a sound institution, but it is eminently a bankers' institution; and the result of this is that the national notes disappear. They are all burned; and replaced by bank notes which go all over the country. So far these notes have been protected not by the government but by the money placed by depositors in the banks.

Now, I am aware that I am speaking to a very small House, but my voice will carry very much further than the precincts of this chamber, for there are people all over the country who are closely following this question. Let me say therefore that in my opinion the time has come when, first of all, we must modernise the post office savings bank so that the people may have their cheques marked, which cheques, when so marked, shall be legal tender in clearing house transactions. These cheques ought to go through the clearing house, and that I think, should be done on the day the cheque is taken to the bank. As things are at present it takes five days for the cheque to go from Toronto to Ottawa and return, while the period of this delay is ten days in the case of cheques coming from the western provinces. That is an absurd state of affairs. The present Postmaster General (Mr. Murphy), I am told, has in mind a scheme—in fact, I believe he has it in concrete form on his table—for the modernization of the post office savings bank. But we cannot hear anything in reference to this matter. Perhaps we might ask the Acting Postmaster General (Mr. Stewart, Argenteuil) whether he knows anything about it, but he too is out of the House and apparently there is no one available to answer this important question.

There is something else I want to tell the public. While we have stopped taking deposits at the various offices of the Receiver General in this country, the United States to-day is taking deposits, of amounts of up to five hundred or a thousand dollars, payable one year after date with interest at 4 per cent payable half-yearly. So that any man in the United States who does not consider the ordinary banks secure can go to the agency of the national reserve bank system, deposit anything up to five hundred or a thousand dollars, and get a certificate which is practically a bankers' receipt. That receipt is good for the amount deposited, at 4 per cent, payable half yearly, the whole payable within a year. Why have we not something like that here? They have a national reserve bank system in the United States. Why should we not have it? They have something like it in the Old Country in the Bank of England. But somebody does not allow these progressive measures to become law here. Although the Bank Act was revised last session any progressive amendments were denied. I may be only a weak voice in this country but I intend to raise these questions before the committee on Banking, namely, as to national notes taking the place of bank notes; as to the establishment of a national reserve bank system similar to that in the United States; and as to public deposits being received by the government. I give the Drury government credit for establishing provincial savings banks in Ontario. Already over $20,000,000 has been deposited by the people in these banks. They have no use for the old-fashioned savings bank account which has been enveloped in so much red tape. Even the Receiver General's offices in Toronto and other cities, which were once doing business and accepting deposits, have been tied up. Who is responsible for this action I do not know. I have raised the question in this House, but without obtaining any satisfactory information. When we get before the committee on Banking we will have it looked into. But there is chloroform all over the country, it is even in this House,

and neither the present Minister of Finance nor his predecessor is here when the question of our banking system comes up for discussion.

An hon. MEMBER: The Minister of Agriculture is in his seat.

Mr. MACLEAN (York): Perhaps he would be prepared to follow the example set by the province of Ontario. A national reserve bank system must come in this country and this parliament must face the question. There must be no other failures similar to that of the Home Bank; better provision must be made for the repayment of deposits. The public are entitled to protection similar to that proposed in this resolution. Anyway, something has to be done, and parliament and the government must take action to afford relief to the public. There is a national currency in nearly all other countries, but for some reason or other in this progressive Dominion we cannot have even a modernized system of post office savings banks.

And yet I have not any great fault to find with our chartered banks. They are giving great service to the public and they are making money in doing so. But they have great privileges, and some of these privileges must be regulated. Undoubtedly there must be security afforded the public by instituting a proper system of bank auditing.

5 p.m. You cannot take a bank statement to-day as being correct; in fact it is often misleading. They have an audit of banks in the United States; we have not. In the national reserve bank membership every bank is a check on its fellow-members, and in that way there is a constant checking up of all the member-banks. There are just as many bank failures in the United States as in Canada.

Mr. HUGHES: There are many more in the United States.

Mr. MACLEAN (York): But we can have a better banking system if parliament says so. Why is not the Prime Minister here to-day to answer this question in connection with our banking system? I grant that the Acting Minister of Finance (Mr. Robb) is busy to-day with the budget which he is to present to the House to-morrow. But where is the Prime Minister?

Mr. MARTELL: Here he is.

Mr. MACLEAN (York): "Oh, Willie we have missed you." He has come in since I started.

Mr. BUREAU: Does the absence of ministers dampen my hon. friend's inspiration?

[Mr. W. F. Maclean.]

Mr. MACLEAN (York): No, but now I will address myself to the Prime Minister.

Mr. BUREAU: I thought you addressed yourself to the country.

Mr. MACLEAN (York): I point out to the Prime Minister that when this question comes up in connection with our banking laws he does not happen to be in his seat, and his Minister of Finance is also absent. Of course, the Prime Minister is only responsible for what occurs during his term of office—and he did not draft the Bank Act. But I should like to know from him why we have not got a national currency; why the Receiver General's offices in Toronto and other cities, which some years ago received deposits from the people and paid them out on demand,—why these offices have been closed in Ontario and Quebec while they have been continued in the Maritime provinces and British Columbia.

After listening to the arguments presented by the two previous speakers, I say it is high time that this House approached the question of banking reform. We had it up last session, but the Bank Act was passed with very few improvements in it. Fortunately the question is coming up again this session, and I hope the government will take the lead in some measure of reform. But that reform must be in the direction I have stated. For instance, we must have a national currency in the place of bank note currency which, when a bank fails now, is redeemed by the deposits of the people. When a depositor goes to withdraw his money he is told, "Your deposit is weakened by our having to cash in for bank notes that the defunct bank issued." That should not be allowed to continue. There should be an absolute reliable national currency as good as gold, just as there is in the States.

Mr. BUREAU: Does my hon. friend mean to say that only silver and gold certificates are in circulation in the United States?

Mr. MACLEAN (York): No, national notes are in circulation all over the country.

Mr. BUREAU: Does he mean to say that there is no other currency save the federal currency?

Mr. MACLEAN (York): There is no bank currency there; there was for a time, but it has disappeared, and the only currency in the United States to-day is the national note and the national coinage. They have a national note there; we got it only in part. What is good enough for Uncle Sam is good enough for Jack Canuck. We want the same law in re-

gard to the post office savings banks. I hope now I have had the opportunity of presenting these ideas to the Prime Minister that we shall get some assurance from him that this question will go to the Banking committee, and that the Banking committee will take up the question of banking reform, including the substitution of national currency for bank currency, the opening of the Receiver General's office as a place for deposits, and the modernizing of the post office savings bank making it just as convenient for the ordinary depositor as the ordinary savings bank. All the modernization it needs is that the depositor can go to a post office savings bank and get his cheque marked and stamped; and when stamped that will go through the clearing house of all the banks at par.

Right Hon. W. L. MACKENZIE KING (Prime Minister): With respect to the suggestion of my hon. friend from South York (Mr. Maclean) that this be referred to the committee, the committee, of course, has powers to take whatever attitude it wishes in this matter, and I have no doubt that it will take into account the representations my hon. friend has made.

Mr. MACLEAN (York): Hear, hear.

Mr. W. C. GOOD (Brant): Mr. Speaker, with much of what the hon. member for Vancouver South (Mr. Ladner) has said I am in agreement, but I would not like to endorse everything that he has said in connection with his motion. I believe, however, that the subject matter is of very great importance, and that it ought to receive the careful consideration of the Banking and Commerce committee. It is very significant indeed that when the act was under consideration last year in the committee and in the House, Mr. Baker, who has been referred to by the hon. member for Battle River (Mr. Spencer) published a letter in the Ottawa Citizen, which has been already alluded to. I would like to quote one or two paragraphs from that letter in addition to the one quoted by the hon. member for Battle River. His letter contains an enumeration of the lack of safeguards then existing in our banking legislation. Mr. Baker says:

> There is no law restricting the amount which may be loaned to directors or to firms or companies controlled by directors.

That, I believe, was somewhat modified last year. Continuing:

> There is no maximum amount fixed by legislation which may be loaned to any one customer.
>
> There is no law stipulating that the bank shall hold any security for loans or that any percentage of its loans shall be secured.
>
> There is no distinction made between shareholders' funds, commercial deposits and the savings of the thrifty. The banks enjoy unusual privileges in the handling of deposits as "savings banks."

I may comment upon that, that these difficulties or defects in the pre-existing legislation are those which the suggestion of the hon. member for Vancouver South is designed to meet. There is no doubt at all that the matter is worthy of the most serious consideration. Continuing from Mr. Baker's letter:

> There is no legal requirement regarding the amount of cash reserves a bank shall carry, and possibly no sound reason why there should be, but other countries have such laws, and the fact that we do not, is mentioned merely to show the absurdity of the Post's claim that we have statutes which would provide for such an eventuality as a bank being able to lose for its depositors.
>
> There is no law to prevent any bank from wrecking itself by over-expansion, injudicious banking and permitting the bank's funds to be used in the speculations of a favoured clique, and no limits placed that would make shareholders alone the sufferers.

How we have seen these warnings fulfilled since the 1st of July last! Continuing:

> There is no law providing for either government or external inspection. We have shareholders' audit—the sop given to quiet public clamour for government audit, and anyone who studies the act providing for this delusion must recognize what a farce can be made of it.

Mr. Baker goes on to say:

> It is high time that the independent press of Canada should give the public real information on a subject of such vital importance and see to it that mutual admiration societies are not left entirely free to spread propaganda for the continuance of a system and policy which may lead to ruin.

I will not read the rest. I quote this to show that men who had an intimate knowledge of the banking situation gave timely warnings last year to have effective safeguards put in our act, but those who attended the committee know how impossible it was even to get adequate discussion of these matters, much less get any necessary amendment put through. The situation, however, is somewhat different this year, and I take it that he will be a brave man who will prevent the calling of witnesses or prevent discussion of these matters this year.

I have here a little pamphlet which I presume has been sent to all the members, written by a certain W. R. Morson, of Toronto. I do not know the gentleman, but I presume he is a man with some banking experience. The pamphlet is entitled A Better Banking System for Canada, and here is a very significant statement on page 2:

As an instance of the inefficiency of the present system, take the glaring cases of the Merchants Bank and the Home Bank. The circumstances that finally brought the Home Bank into insolvency were known to many people, myself included, five years ago.

I would like the Minister of Finance to note that. Here is a man who states that he knew the situation five years ago, but our Department of Finance that is supposed to keep track of these things apparently did not know it; or if they did they took no steps to protect the depositors. Continuing:

It is not conceivable that those irregularities could have continued so long under an independent audit and an independent scrutineer.

Further on under a section devoted to the guarantee of deposits he says:

With a proper inspection and power to correct abuses, it would be a perfectly safe undertaking to guarantee deposits. The Controller of the Currency at Washington has shown that the percentage of losses compared to deposits amounted to 1-2400th of 1 per cent per annum for six years previous to 1920, during which period the Federal Reserve was in operation.

I will not read the rest because this is probably not the time and place to enter into a detailed discussion of this matter. In conclusion, Mr. Speaker, I simply want to repeat my conviction that this question did not receive sufficient consideration last year; that if we are going to prevent this country from going through very, very serious times in the future, more serious I think than we can now imagine, we have got to grapple with some of the real problems that face us in this connection. I have very great pleasure indeed in supporting the amended resolution to refer this particular proposal to the select standing committee on Banking and Commerce.

Mr. HERBERT MARLER (St. Lawrence-St. George): I honestly think that the very question we are discussing to-day is comprised in the resolution which we passed on 27th March last. However, since that point which was brought up by the hon. member for Bonaventure (Mr. Marcil) was ruled out of order by the Speaker I see no reason why we should not discuss this very important subject to-day even though, perhaps, it may be to some extent an academic discussion. I congratulate my hon. friend (Mr. Ladner) on the manner in which he has presented this resolution. The motion is an important one. It calls for the appointment of a committee to consider measures for the purpose of guaranteeing certain classes of deposits. It involves the important principle, as the mover of the resolution will admit, of the guarantee of deposits. Now I think what we have to consider to-day in discussing this resolution, even though, perhaps, we may be having an academic discussion, is whether or not the proposal my hon. friend brings up is a feasible one or not. Is it practicable?

Mr. LADNER: When the hon. gentleman uses the term "guarantee," does he mean a guarantee by the government or by insurance, because the insurance principle is not a guarantee?

Mr. MARLER: If my hon. friend allows me to proceed with my argument he may be in a position to ask me some questions later on. There is no doubt whatsoever, Mr. Speaker, that the resolution deals directly or indirectly, by way of an assurance fund or otherwise, with the guarantee of deposits up to a certain amount, segregating a certain class of accounts in a particular manner up to the sum of $3,000.

Mr. BUREAU: The language of the resolution is "protected or guaranteed."

Mr. MARLER: I thought either the word "protected" or "guaranteed" was used. Now had this matter not been referred already to a committee, as I think it was so referred by the resolution of the 27th March, I do not know that I would be prepared to support the resolution, not because I am opposed to any principle which will assist depositors but because I am more or less opposed to a principle which will involve banking to a very serious extent indeed. The principle of guarantee of deposits, no matter how it may be taken—whether it may be taken by way of a guarantee fund, or whether the guarantee only extends up to a certain amount—cannot stop at the mere question of guarantee. It involves not only the question of guarantee itself, that one item in banking, but it must go down the line into the various banking transactions and more or less involve the principle of banking which we have in this country to-day. I think as my argument develops to some extent hon. members will see that. As a matter of fact the system of guarantee—in any form in which we discuss it or desire to place it before ourselves or a committee—is nothing more or less than a contract or surety issued. It means that someone else becomes the guarantor of or surety for the principal debtor, the principal debtor in this case being the bank whose deposits are guaranteed.

This sort of guarantee of deposits, I must admit is very attractive looking. It has, particularly at this time, an appearance that merits the most careful consideration. I do not deny that at all, but I do not think we should be led away by a matter of looks or

the name which we bestow on any proposal during this discussion. Perhaps we have on other occasions been led away by a system which we think may carry out, or is even certain to carry out, what we expect it to do under the terms of a resolution which has been adopted by the House. But if we look further and if we try and put that system into operation we will discover there are a great many difficulties which occur in connection with the actual law as put into force. Therefore I say I think we should discuss this matter in a dispassionate manner. I think we should not entirely fix our minds on the word "guarantee" alone and think that by reason of that guarantee being effected it is going to accomplish, or will accomplish, the object which is intended. That I may say, Mr. Speaker, is simply a preliminary remark I have to make, and I make it merely because I am trying to discuss this matter purely with an open mind, not with a view to opposition and at the same time to lay stress on what I state, that the question of a guarantee of deposits does not end with the guarantee of deposits alone but goes a good deal further.

Now, in most matters of banking, in most matters of law, in a great many other commercial affairs in life, we attempt in so far as we can to find various precedents to which we can look for experience. We are not altogether bound by precedents. We are not bound to say that a precedent which happened in this country or in that country is what might happen in this country if it were applied here, we are not bound to accept what actually did occur in other places; nevertheless in law, or in commerce, or in other walks of life, the question of what has happened under similar circumstances, is of importance because we are bound to learn from what did occur in other countries something that will be of assistance to us. We have got no precedent in this country as regards the guarantee of deposits direct or indirect. We have no such principle as to the guarantee of deposits direct or indirect by an insurance fund, or otherwise, in any of the great countries of Europe. We have no such precedents so far as I know—and I think I am right in making this statement—in Great Britain on whose system our banking system is based. We have no precedents to which we can look—if I mistake not, and I think I am quite right in making this assertion—in any of the great eastern states. We have, however, precedents in certain of the other states to which we can look and from which we can ascertain whether the system of guarantees turned out successfully in those states or not. I am not one of those who look to the United States for precedents, I must quite admit. I very much prefer to look for precedents to Great Britain.

An hon. MEMBER: To Turkey?

Mr. MARLER: Yes, Turkey has some good precedents too.

Mr. MACLEAN (York): National currency.

Mr. MARLER: Germany has a good national currency too, we might guarantee the deposits from Germany. As I was saying, there are no precedents in Great Britain to which we can look in a matter of this description, but there are certain precedents in the States. Now those precedents are such that they do teach us certain lessons. They deal with the question of guarantees both from a joint and several viewpoint and from a voluntary and involuntary viewpoint. They deal with the question whether guarantees had to be made by other banks providing the money was placed in one bank. We have those precedents in the United States which are of some value as showing the experience in that country. I am aware that hon. gentlemen have had placed before them a booklet published by the Canadian Bankers' Association. I think that booklet deals to some extent with the guarantee of deposits and deals briefly with certain of the incidents which I am about to relate to the House this afternoon. Those incidents in the booklet whereof I speak are more or less short in character, and I have taken the opportunity, in view of this important resolution, presented in such an able manner by my hon. friend (Mr. Ladner), to look into the various banking journals of the United States and also certain of the books dealing with banking there, in order to ascertain more in detail these questions which have been put before hon. members by the small booklet of the Canadian Bankers' Association.

Mr. LADNER: By way of information, has the member found any precedent where deposits were guaranteed on an insurance basis to a limited extent? The United States guarantees to which he refers were not limited and were effective in all the banks.

Mr. MARLER: My hon. friend is not quite right in his statement. The guarantees which took place in the United States were not all limited. Some were limited, some were voluntary and some were involuntary. As regards the insurance principle for the

guarantee of deposits which my hon. friend brings up, I will explain to him in a few moments that I have not forgotten what he stated in regard to the insurance principle, but I want to make my point absolutely clear in discussing the guarantee of deposits, and I am perhaps going more or less ahead of the argument I intended to make, but I want to make abundantly clear—and I might as well do it now—that if there is to be any guarantee at all it must be such a guarantee that there need be no explanation behind it, that anybody going to any bank and placing deposits there will know definitely and absolutely that if that bank fails these deposits will be paid. That is the only kind of guarantee that is worth anything. I do not care what is behind that guarantee, I do not care what is in front of it, and I do not care what conditions surround that guarantee. What I say is this —and I repeat it because it is a most important point in connection with this guarantee—that if any guarantee of bank deposits exists at all, it must be such that the poor man, the rich man, or whoever the man may be, and no matter in what bank he places his money, will know that if that bank fails that money is to be paid without any legal argument or without any conditions surrounding it, and that he will receive his money in a short time, without any legal entanglement.

Mr. MARTELL: Does the hon. gentleman believe that the government of the country should be the fairy godmother of the people in the way of giving a guarantee for everything that happens? We get too much government ownership and too much government guarantee.

Mr. MARLER: The only way I could answer my hon. friend would be to say that I agree with him that we have too much government ownership and too much government guarantee but I must disagree with him if he suggests that the government should be the fairy godmother of the people. I think that this time to-morrow he will find that the government is not the fairy godmother of everything in the country, but that remains to be seen. I was proceeding to deal with the question of guarantees, and was saying that the guarantee must be absolute.

Mr. COOTE: Would the hon. gentleman state that the bank notes which we have today have that absolute guarantee which he states must be extended to deposits if it is to have any value?

[Mr. Marler.]

Mr. MARLER: Bank notes at present have that guarantee because in the light of our experience I think I am right in saying that they have been paid in full from the time of confederation.

Mr. COOTE: Even if the statement that they have always been paid in full is correct, will the hon. gentleman say that they will always be paid in full under the system which we now have and which is set forth in the Bank Act?

Mr. MARLER: I cannot prophesy that they will always be paid in full. All I can say is that the system in force at the present time is a fair and reasonable one. I am giving my opinion now on the subject of guarantees and I say that if there is a guarantee at all it must be a good one, not a half or a quarter guarantee. It must be known that the guarantee is actually a guarantee which is worth something. I was going on to speak of certain instances which have happened in the United States and certain precedents which have been established there. There is the case of the state of Oklahoma one of the newer states I admit, but one of the first states to adopt a system of guarantee. It came about somewhat in this way. In 1907, hon. gentlemen will remember, the United States was going through more or less of a period of financial panic. A number of banks had failed. It was the year after the national election. Happily or unhappily in that election Mr. William Jennings Bryan, who was a candidate for president, placed in his platform as a principal plank the promise that there should be a guarantee of all deposits in the banks. I think that was a pretty good card politically. If Bryan had been elected president and the government had guaranteed the deposits in all the banks, it would have been a fine thing. At least, it was an admirable thing for him to say before the election that he was going to try and do it. What he would have done if he had been elected of course, is quite another story .

Mr. GARLAND (Bow River): Hear, hear.

Mr. MARLER: Do I hear my hon. friend from Bow River say "hear, hear?"

Mr. GARLAND (Bow River): It usually is another story.

Mr. MARLER: But in any event, after that happened, the Oklahoma territory and what was Indian territory were made into the state of Oklahoma, and a month or two afterwards, the state of Oklahoma

brought in a system of joint and several and absolute guarantees. I see that my hon. friend from Vancouver South (Mr. Ladner) is looking at me.

Mr. LADNER: Hear, hear, I am looking for the point.

Mr. MARLER: The point is a long way off yet I am only developing the subject. I know that this question of joint and several guarantee is not what my hon. friend (Mr. Ladner) believes it is.

Mr. LADNER: No relationship.

Mr. MARLER: No relationship to it at all. He believes in a guarantee, or some insurance fund, some more or less mystic form of guarantee. He did not tell us what the guarantee would be, but be believes in a guarantee.

Mr. LADNER: I wish to correct my hon. friend. I did say what it would be. I said it would be built up on the insurance principle, on an actuarial basis founded on experience, exactly in the way insurance companies build up their business. There is no distinction and it is a limited amount. If my hon. friend wishes to argue against the point I have raised, he should direct his very able mind to this point. I am afraid he is departing from it.

Mr. MARLER: I quite understand that my honourable friend wants to get at a guarantee system more or less along the lines of insurance, on an actuarial basis or something of that description. It sounds supremely simple, so simple that one might almost imagine that you could sit down at one of these desks and work it out. But I want to revert again to the question which I brought up with my hon. friend, namely, that if he has a system of bank guarantee of deposits, it cannot stop at a guarantee, it will go down into all the intricacies of banking. If he will have a little patience, I shall get into the subject much more quickly. I will not go on detailing all these cases which took place in the United States, although they are of interest. I must admit that the precedents which they show under the experiences which they had at the time were of considerable interest. I was, however, speaking about Oklahoma, under which state this law of joint and several guarantees was adopted. When that guarantee law was passed in the state of Oklahoma, it applied to state banks, not to national banks. It looked at first blush like a very good arrangement for the guarantee of deposits. It also looked like a very good card for attracting deposits to banks. Hence, because of the apparent power of this system to attract deposits, many banks which were national banks, to which the guarantee law did not apply, turned themselves into state banks. A few of the state banks in the larger cities, being afraid of the guarantee law, turned themselves into national banks. Consequently, it was interesting to ascertain what happened owing to this transition from state banks into national banks. What happened was this. You will remember that the law was passed in 1907. Out of one thousand state banks, in July, 1923, 450 were still in existence; 255 had withdrawn from the guarantee banks turning themselves into national banks; 125 had consolidated with others; 125 had failed, and 50 had been liquidated. That is what happened to the banks that turned themselves from national banks into state banks in order to come under the law of the joint and several guarantee. In 1922, the state of Oklahoma repealed this law, because sound bankers went to the legislature and stated that if the law was to be kept in force, they would have to go out of the banking business entirely or turn themselves into national banks. That repeal of the law which took place at that time at the request of prominent bankers took place because there was knowledge that a million dollars was outstanding and unpaid by reason of this particular guarantee fund.

I am going too quickly because I want to explain briefly what happened during the time this guarantee was in effect. As regards depositors, the effect of the guarantee was this: The law went into effect in February, 1908. At first blush the effect of this law was good. A great mass of deposits flowed into the banks of Oklahoma. As a matter of fact, deposits came not only from this new state of Oklahoma which was a few months old, but from neighbouring states, so much so that the neighbouring states had themselves to make laws guaranteeing deposits, but those neighbouring states did not make their laws in such wise that the guarantee was a several and joint guarantee but they made their laws on the fundamental principle of the law of suretyship. What was this test of the law of guarantee in the state of Oklahoma? The test came along very quickly. The law went into effect in February, 1908, and in May, 1908, three months later, came the first test of this law. The test was only a little one; it did not amount to very much. A little bit of a bank called the International Bank of Coalgate closed its doors. It may have closed its doors in order to put to a test this law of guarantee which the state of Oklahoma had passed. As soon as it closed its doors, state

officials walked into the bank, counted the cash, said that there was so much cash there, put the cash aside, put their hands into the till of the guarantee fund and took out of that fund sufficient money to pay all the depositors. That sounds like a very simple procedure; it may sound to hon. gentlemen like a very proper procedure; but it was a most improper procedure under a most vicious principle. The law of suretyship of which this is a part—and it does not matter how it is argued by way of a guarantee fund—is that a contract of suretyship means simply that the principal debtor, that is to say the man or person or corporation owing the money, has first to have his assets and liabilities discussed, his assets sold, the money from those assets brought together, and as regards any deficiency there may be, the surety or guarantee fund, as the case may be, is liable for the difference. That is the ordinary law of suretyship.

Mr. LADNER: The hon. gentleman is of a legal mind.

Mr. MARLER: I do not know that I am.

Mr. LADNER: Surely the contract of surety is expressed in the terms of the document. You make it as you want it. You make it fit the situation. You do not adopt some general principle like that, a general scheme under which there is an unlimited call on banks.

Mr. MARLER: My hon. friend, to some extent, is quite correct. I am glad that he has brought that question up. No, the general law of suretyship, as I have explained it, is the customary law of suretyship.

Mr. LADNER: That is not this case.

Mr. MARLER: My hon. friend is quite right in what he states that these benefits or advantages which the suretyship may ask for can be limited or not. You can make the contract of suretyship pretty much as you want it, so that the principal debtor may not or will not have to be discussed. That is quite true; but the point which I make is this, that people who have guarantees of deposits do not want to discuss the question of the law at all. I reiterate and repeat that if a bank has written up on its windows "Deposits in this bank are guaranteed," when that bank fails, the people want to know that their deposits are assured, quite irrespective of any intricacies of the law of suretyship or anything else.

Mr. WOODSWORTH: Might I ask without anticipating my hon. friend's development of his subject, whether he has any definite proposal by which they can have an absolute assurance of that kind?

Mr. MARLER: I must admit that, although I have studied this question to quite an extent, I have great difficulties in mind in seeing how a guarantee fund could be brought about so that it would actually guarantee deposits. Perhaps if the hon. member for Centre Winnipeg (Mr. Woodsworth) will allow me to progress a little more, I will try to get through immediately. Some questions may develop which will be of use in discussing this subject before the Banking and Commerce committee, because without a doubt it will be discussed before that committee under the resolution of the 27th of March, and I must say to my hon. friend that I feel a good deal of hesitation in detaining this House in discussing this matter at all, unless what I say is of some particular interest.

Following on the question of what happened in the Oklahoma situation, I will come very quickly to the conclusion. In October 1909, or two years after the law was passed, another large bank failed, the Columbia Bank and Trust Company. That bank had procured very large deposits owing to the fact that this guarantee fund existed. The directors and officers, having secured these various funds, went into rash speculations and the bank failed, with the result that in 1914—to make a resumé of the situation—there had been paid out of the guarantee fund $4,000,000, while there were outstanding unpaid warrants for $1,000,000 more. In 1921 the banks began to fail rapidly and many of those who were in this particular guarantee fund withdrew from it. In November of that year, on the closing of one of the banks, the guarantee fund was bankrupted. In July 1922, there was $3,000,000 out against the guarantee fund, and the fund became bankrupt.

Now, I do not think that this is entirely the question which my hon. friend wants to have settled, but it is a question of a joint and several guarantee fund which I claim the banks would have to enter into in this country in order to make an absolutely positive guarantee.

Mr. LADNER: Does my hon. friend think that any member of this House would

seriously propose that, with the system of banking we have in this country, the very large amount of deposits in Canada should be entirely guaranteed? I think his arguments are wide of the mark.

Mr. MARLER: That is precisely what the hon. member wants.

Mr. McMASTER: No. If I understand the proposal of the hon. member for Vancouver South (Mr. Ladner), it is that there should be a certain limited class of guaranteed deposits. I do not understand him to propose that all deposits should be guaranteed.

Mr. MARLER: I am glad my hon. friend interjects an explanation. Will the hon. member for Brome (Mr. McMaster) tell us how he will guarantee deposits limited, say, to $3,000? Will he not create a preferred class of depositors? Would a man not divide up his deposits, in any case, so that they would all come within the guarantee? Surely my hon. friend does not imagine for a moment that a man who had $10,000 or $20,000 would be foolish enough not to see to it that the whole amount was guaranteed, and not the first $3,000. In the goodness of my hon. friend's heart, and knowing human nature as he does, I think he would admit that people would separate their accounts, put them in different banks, in trust accounts, and under various names, all for the purpose of coming within the $3,000 guarantee. I think that this is almost a frivolous point to raise.

Mr. LADNER: As the hon. member puts the matter in that way, I trust he will give me the privilege of making one observation. Apparently he is as far from appreciating the points of my remarks as he is, in his argument, from answering this point I have raised. I do not say that there should be a total guarantee. The deterrent against putting moneys into special accounts would be the fact that they would receive not the regular 3 per cent rate but less than that. In other words, any one who resorted to the means which my hon. friend suggests would have a special reason for doing so, whereas many people would take advantage of the larger interest offered the other way.

Mr. DEPUTY SPEAKER: Order.

Mr. LADNER: I simply wanted to make myself clear, Mr. Speaker.

Mr. DEPUTY SPEAKER: The hon. member must not make a second address.

Mr. MARLER: I still regret that I cannot agree with the hon. member. He cannot by the widest stretch of the imagination convince me or any banker, or any person in this House who has not an inhuman character, that if a man has $15,000 and wants to have the whole of it guaranteed he will not be able to do so by separating his accounts and segregating his deposits in different banks, even though, instead of securing 3 per cent. on his deposits, he might get only 2¾ or 2½ per cent. So that it is utterly impossible to fix any guarantee up to a certain amount. But in any event, I say that if a guarantee is to exist it should be a full guarantee, so that every one will be treated alike. Let us say, for the sake of the argument, that only those accounts up to $3,000 will be guaranteed. Does my hon. friend realise what percentage of deposits in the banks comprises accounts of $3,000 and under? No doubt he knows what the figure is.

Mr. LADNER: Not exactly.

Mr. MARLER: Let me tell him: 85 per cent of the deposits in the banks consists of accounts of $3,000 and under.

Mr. LADNER: Has the hon. member any authority for that statement? I have authority for the statement that it is only 55 per cent.

Mr. MARLER: On inquiry of very prominent bankers I have received the information which I have given. It may be right or wrong but I leave the matter to the judgment of my hon. friend. I am inclined to think, however, that it is right.

Mr. LADNER: It is not a matter of guessing.

Mr. MARLER: No, it is not; and I think the figure I have given is more or less right.

Mr. VIEN: At any rate, it is a safer guess than the hon. gentleman's.

Mr. MARLER: I do not see how my hon. friend (Mr. Ladner) could possibly work out the proposal in regard to a guarantee to the extent of $3,000, and I have indicated one of the difficulties which would supervene in the matter.

Mr. MARTELL: Will the hon. member tell us why a man who had $100,000 in the bank should not be as fully protected as the man with $3,000, simply because they were in different walks of life?

Mr. MARLER: Is the question addressed to me?

Mr. MARTELL: It is addressed to hon. members generally.

Mr. MARLER: The answer is simple. There is no doubt that the man who had $100,000 would see to it that he was guaranteed, and he would be foolish if he did not. I agree with the implication conveyed in my hon. friend's question; I always agree with the hon. member for Hants. Now, as the hour is drawing to a close I think I shall bring my remarks to a conclusion. What I wanted to bring to the attention of the House, as regards these instances in the United States, was the fact that there was a joint and several guarantee of the banks—both an individual guarantee and a partial guarantee—all of which have proved unsuccessful. I do not say for a moment that in this country they might prove unsuccessful also, but we have the evidence of what occurred in the United States. Without a doubt they have not been successful in any single state of the union where these guarantees have existed. Furthermore, not only have they been most unsuccessful from a banking point of view, but they have been equally unsuccessful from the point of view of depositors and of business men generally. There is not a single shred of evidence to show that any of these guarantees which took place in the United States were of any value whatever.

Mr. GARLAND (Bow River): Now that the hon. member has dealt with the states that had guarantees which failed to satisfy the requirements of the guarantee law, will he not tell the House about the guarantee law of the state of Kansas?

Mr. MARLER: Certainly, I will be very glad to tell the House of the guarantee law of the state of Kansas. It was a voluntary system. Certain banks agreed to enter into the guarantee fund. They created what was called a "guarantee fund account." When a bank failed in Kansas under that guarantee law the depositors were not paid out of the guarantee fund as they were in the Oklahoma case which I cited, but they were given certificates of deposit. It meant that the assets of the bank which had failed had first to be sold. Then the depositors came forward with their certificates of deposit and called upon the guarantee fund for the money that was there to pay those particular deposits. This is what actually happened in the state of Kansas. Certificates of deposit had been issued to the extent of over $5,500,000—this is the last report which I could find—and there was in the guarantee fund about $850,000 in cash, and bonds at par of $1,140,000, making a total of $2,000,000, against the payment of guarantee certificates outstanding of $5,500,000.

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

Thursday, April 10, 1924

The House met at three o'clock.

UNITED CHURCH OF CANADA

REPORT OF COMMITTEE ON STANDING ORDERS—FIRST READING OF BILL

Mr. GEORGE PARENT (Quebec West) presented the first report of the Select Standing Committee on Standing Orders as follows:

In accordance with the order of reference of Your Honourable House of the 27th of March, 1924, your Committee have had under consideration a petition signed,—

On behalf of the Presbyterian Church in Canada, by Alfred Gandier, Moderator of the General Assembly of the Presbyterian Church in Canada;

On behalf of the Methodist Church by S. D. Chown, General Superintendent, The Methodist Church;

On behalf of the Congregational Union of Canada, by J. Lambert Alexander, Chairman, The Congregational Union of Canada;

praying for the passing of an act to incorporate them under the name of The United Church of Canada; also the fourth report of the Examiner of Petitions in reference thereto.

Your committee, after hearing counsel for both sides, were able to satisfactorily determine that the notices were published in twenty-seven newspapers in the various provinces of Canada, as well as in the church papers of the three denominations affected; and as evidence was submitted to the effect that copies of the proposed bill have been distributed to every Presbyterian minister and elder in Canada, your committee are of the opinion that the requirements of the rules of the House have been complied with, and find that the notices as published have been sufficient.

Your committee have also considered the petitions contesting the authority of the Moderator of the Presbyterian Church to bind the said Presbyterian Church in Canada, and have come to the conclusion that the questions involved in said petitions should be taken up and considered by any committee to which the bill may be referred in due course.

All which is respectfully submitted.

Chairman.

Mr. PARENT moved that the report be concurred in.

Motion agreed to.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I beg to present a

petition from the Cardinal Presbyterian Church against Church union.

Mr. ROBERT FORKE (Brandon) moved for leave to introduce Bill No. 47, incorporating The United Church of Canada.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN NATIONAL RAILWAYS—HOTEL SCRIBE

*Sir HENRY DRAYTON:

1. What was the total amount paid by or on account of the Canadian National Railways for and in connection with the Hotel Scribe, Paris?
2. Was the said amount paid out of the cash receipts of the National Railways? If not, how was the purchase financed and at what rate of interest?
3. What is the name of the company now nominally owning the Hotel Scribe and who are the directors?
4. What is the total amount of taxes paid or payable in respect of the said hotel for the year 1923?

Hon. Mr. GRAHAM: I have asked a good many times that this question stand. The difficulty is in getting from Paris the information which has been asked for. It has been cabled for.

Question stands.

OCEAN FACILITIES AT HALIFAX

*Mr. BLACK (Halifax):

1. Is it the intention of the Government to provide additional facilities at Halifax for the greatly increased immigration business at that port?
2. Does the government intend to complete the ocean terminals at Halifax as originally planned or otherwise without further delay?

Hon. Mr. COPP (for the Minister of Immigration): In reference to Question No. 1 I may say that the government will endeavour as far as possible to provide the facilities found necessary to take care of the immigration business at the port of Halifax. Respecting Question No. 2, the matter is under the consideration of the government at the present time.

CANADIAN NATIONAL RAILWAYS—DIVISIONS

Mr. KENNEDY (Edmonton):

1. What are the limits of the Atlantic, Central and Western divisions of the Canadian National Railways?
2. What were the revenues and expenditures on each of these divisions for the year 1923 and the months of January and February, 1924?
3. What were the revenues and expenditures of the Grand Trunk Railway for the year 1923 and the months of January and February, 1924?

Hon. Mr. GRAHAM:

LIMITS

1. Atlantic Region: East of Riviere du Loup and Monk, Que. (including Riviere du Loup Terminal) but not including Monk Terminal.)

Central Region: Comprising all lines and facilities between Riviere du Loup and Monk, Que., on the east, and Detroit, Port Huron, Current and Armstrong on the west (including Monk, Que., Terminal, and line to Portland, Me.)

Western Region: Comprising all lines and facilities west of Current and Armstrong (including Duluth, Winnipeg and Pacific Railway Company.)

2. Railway Operating Revenues and Expenses year ended December 31, 1923.

	Atlantic Region	Central Region	Western Region
Railway Operating Revenues.	$22,480,035 13	$127,900,113 91	$72,074,784 26
Railway Operating Expenses.	27,702,180 78	109,212,503 69	74,095,493 78

Month of January, 1924

	Atlantic Region	Central Region	Western Region
Railway Operating Revenues	$1,555,833 85	$8,565,820 51	$5,865,070 64
Railway Operating Expenses.	1,958,199 20	7,971,687 52	6,024,863 91

Month of February, 1924

	Atlantic Region	Central Region	Western Region
Railway Operating Revenues	$1,490,361 90	$9,141,719 90	$4,586,797 20
Railway Operating Expenses.	1,960,170 62	8,404,441 76	5,572,642 86

3. Grand Trunk Canadian Lines:

Railway Operating Revenues and Expenses for the year ended December 31st, 1923:

Railway Operating Revenues.. $83,978,730.57
Railway Operating Expenses.. 67,112,470.32

Note.—The Railway Operating Revenues and Expenses of the Grand Trunk Canadian Lines, for the months of January and February 1924 are not yet available.

CRUDE OIL BOUNTIES

Mr. FANSHER:

1. What was the amount of bounty paid to producers of crude oil in Canada for the fiscal year ending March 31, 1924?
2. What was the amount of bounty paid to producers of crude oil in each of the provinces for the year ending March 31, 1924?
3. What are the names of the producers whose wells are located in the constituency of East Lambton, and what amount of bounty did each producer receive for the year ending March 31, 1924?

Hon. Mr. LOW:

1. $79,809.54.

2. Ontario	$76,120.95
New Brunswick	3,648.24
Alberta	40.35
Total	$79,809.54

3. See statement attached, which covers the period from April 1st, 1923, to February 29th, 1924. Statistics for March are not available yet. The attached statement covers the constituency of East Lambton only.

East Lambton Producers of Crude Petroleum and Bounty Paid thereon for period from April 1st, 1923, to February 29th, 1924:

Producers.	Bounty Received.
Thos. Montgomery	$ 00
John McPhedran	8 28
D. McDougall	93 19
W. Rainsberry	306 29
R. Kettle	205 51
T. Loxton	177 28
J. Josh	00
H. Elliott	13 50
F. Strangway	11 88
A. McDougall	180 84
A. Rawson	401 35
J. E. Armstrong	2,225 08
K. Houston Est	448 49
P. J. Watt	494 32
F. E. J. Devereaux	135 50
F. G. Hamlin	386 23
Wm. Bradley	00
R. Bradley	139 22
W. G. Carleton	253 52
C. Yerkes	229 39
J. Baker	30 25
T. Portsmouth	64 00
M. Collins	00
W. Gillespie	57 16
Crotty & Elliot	491 45
Edward Estate	18 02
L. Stevenson	60 77
J. Kerr Est	2,594 99
C. Barrett	636 01
Geo. Morris	216 26
Canada Crude Oil Prod.	2,181 75
J. Baker	30 25
W. C. Jackson	46 00
Elgine Dennis	259 41
William George	175 71
Jackson & Morningstar	170 31
G. S. Porter	95 07
T. B. Brydges	45 99
R. Byers & Son	555 70
Anderson Bros. & Thompson	1,274 72
Wm. Woodward	421 13
G. A. McGillivray	566 92

Producers—*Con.*	Bounty Received.
Chas. Dennis	481 88
J. Hillis & Son	691 47
E. Mott	170 05
Mott & Mitchell	814 37
J. Anderson	837 56
Wallen & Wallen	364 92
J. Warwick	794 02
J. Fowler	00
Carman & Fairbank	4,805 06
Robertson & Fuller	97 59
Richard McGaffery	27 03
E. P. Rowe	231 72
Jos. Metcalfe	148 85
Thos. Braybrook	64 51
J. Goudy	292 27
J. Cann	119 31
J. Atkinson	134 87
F. Maw	00
J. A. McAlpine	12 76
J. Rawson	00
T. B. Brydges	31 41
D. A. Holmes	82 73
Abe Telsey, Trustee	2,688 24
Mutual Oil Prod. Co.	1,817 40
T. A. Brock	807 55
B. W. Schumacher	1,202 33
J. Dempsey	40 00
Mrs. W. Sanson	63 99
F. McDonald	168 00
E. M. Parks	686 37
J. E. Kelly	738 53
Thos. Johnston	408 12
A. C. Darling	164 61
T. Walsh	56 37
K. Elliott	66 84
J. Coulter	44 94
Ross. Kerr	664 52
F. Edward	1,592 60
Geo. Drope	29 29
Can. Oil Prod. & Ref. Co.	3,657 61
F. Howlett	478 23
Ontario Lands & Oil Co.	3,469 92
Corp. Town of Petrolia	281 82
Col. Lucas	51 64
Allied Gas & Oil Co.	300 25
Peter Hunter	85 13
G. E. James	530 10
S. B. Fuller	120 24
E. O. Brydges	16 08
Sproule Bros	418 03
L. Morningstar	545 20
John Woodward & Son	23 05
John Woodward	219 64
Croker Parks Oil Co.	1,200 10
J. Lewis	405 59
Geo. Donald	540 94
D. Jewell	513 77
Sproule & Johnston	241 77

Producers—*Con.*	Bounty Received.
J. Wallen Estate	169 41
A. C. Wallen	235 51
Fairbank Estate	6,337 08
Walker Oil & Gas Co.	4,383 71
P. V. Taylor & Co.	425 45
Bothwell Oil Co.	2,104 90
Hillcrest Oil Co.	144 43
A. George	00

TORONTO VIADUCT

*Mr. CHURCH:

1. Have any reports or recommendations or letters been received from the President of the Canadian National Railways in reference to the Toronto viaduct which the Canadian National Railways are obligated to help build as per viaduct agreement, 1913?

2. In view of the priority of this National Railway Contract (1913), what is the policy of the government in the matter and the reason why the contract is not being carried out, and when will a decision be come to in the matter, and what action will be taken?

3. Will the share of the National Railways for this work be recommended by the government to parliament during the present session?

Hon. Mr. GRAHAM: In answer to Question No. 1, yes. In reply to Questions 2 and 3, the matter is under consideration.

BRITISH EMPIRE LUMBER COMPANY

Hon. Mr. BAXTER:

1. Did the Montreal Harbour Commissioners purchase lumber from the British Empire Lumber Company?

2. If so, how much have they purchased since January 1, 1922?

3. What kind of lumber was purchased and at what prices?

4. Who are the officers and the directors of the British Empire Lumber Company?

5. Is not a brother of Dr. W. L. McDougall, president of the Montreal Harbour Board, a member of this company?

Hon. Mr. CARDIN:

1. The Harbour Commissioners of Montreal advise the department that they have purchased no lumber from the British Empire Lumber Company.

2. Answered by No. 1.

3. Answered by No. 1.

4. The department has no information.

5. The department has no information.

JASPER LODGE MANAGEMENT

Mr. STEWART (Leeds):

1. Who was the manager of Jasper Lodge in 1923, and on whose recommendation and by whom was he appointed?

2. What previous hotel experience had he and where?

3. What salary was he paid and what expenses were allowed him in addition to living quarters?

4. What were the earnings of the said Lodge and the expenses of operation thereof during the year 1923?

Hon. Mr. GRAHAM:

1. Capt. T. G. Forshaw. He had previously been known to the president and on consultation with the Manager of hotels was appointed by him to supervise hotel and building operations generally at Jasper Park.

2. He had no specific hotel experience, but was generally familiar with the duties to which he was assigned.

3. $1,000 for the season of 1923 until the Lodge closed; then $400 per month until March 1st, when he resigned from the service. During latter period he was in charge of various alterations and construction work in connection with additions and improvements preparatory to opening of 1924 season. Total salary thus received $3,000. He received in all $241.20 for travelling expenses.

4. Operating revenue, $76,761.85; operating expenses, $77,371.29.

CHICOUTIMI AND SAGUENAY

MR. SAVARD:

1. What is the population of the northern coast of the St. Lawrence river, between Tadoussac and Labrador?

2. What are the means of communication of that part of the county of Chicoutimi and Saguenay with the other parts of the country from 1st November to 1st May?

3. What distance is Tadoussac from the railway?

Hon. Mr. COPP:

1. 13,060 according to the Census of 1921.

2. There is at present a subsidized gasoline boat service between Tadoussac and St. Catherines Bay, from December 6th, 1923, to May 15th, 1924. Two round trips a day, except Sundays, are made, carrying mails, passengers and freight. The contractor is Mr. E. O. Bouliane of Tadoussac, P.Q.

3. The nearest railway to Tadoussac is the Canadian National on the south shore of the St. Lawrence, about 20 miles distant.

WILLIAM ARENBURG

Mr. HANSON:

1. When was William Arenburg appointed as fishery overseer or fishery inspector in the province of Nova Scotia and what is his salary?

2. What are the duties of said William Arenburg?

3. Is the government aware that he was sixty-five years of age or over when appointed to this position?

4. Were there any returned soldiers applicants for the said position and why was not preference given to them?

Hon. Mr. CARDIN:

1. He was employed as a temporary or seasonal inspector of fish curing and packing, from June 12th, 1922 to November 30th, 1922, and again from July 30th, 1923, to November 30th, 1923, at a salary rate of $1,260 per annum.

2. To enforce the provisions of the Fish Inspection Act.

3. His age was given as sixty-three.

4. The Civil Service Commission authorized local selection. Due regard was given to the appointment of a returned soldier, but Arenburg's experience was considered as most fitting for the position.

CANADIAN NATIONAL RAILWAYS—OPERATIONS AFFILIATED COMPANIES

Sir HENRY DRAYTON:

What were the results of the operations of the Canadian National System and affiliated companies in 1923 in (a) Atlantic Region; (b) Central Region; (c) Grand Trunk Western Lines (in United States); and (d) Western Region?

Hon. Mr. GRAHAM:

—	Atlantic Region	Central Region inc. G. T. New England Lines	Grand Trunk Western Lines	Western Region inc. Duluth Winnipeg and Pacific	Total
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Railway Operating Revenues	22,480,035 13	127,900,113 91	32,471,522 74	72,074,784 26	254,926,456 04
Railway Operating Expenses	27,702,180 78	109,212,503 69	23,679,714 70	74,095,493 78	234,689,892 95
Net Revenue or (Loss) from Railway Operations (Def.)	5,222,145 65	18,687,610 22	8,791,808 04	(Def). 2,020,709 52	20,236,563 09

EDMONTON GRAIN ELEVATOR

Hon. Mr. MANION:

1. Have tenders been received for the new grain elevator at Edmonton?

2. If so, what parties tendered and what was the total of each tender?

3. To whom is the contract being awarded?

Hon. Mr. LOW:

1. Yes.

2. Carter-Halls-Aldinger Co. Ltd., Winnipeg, Man., $1,297,729; Northern Construction Co., Montreal, $1,349,000; Barnett-McQueen Co. Ltd., Fort William, Ont., $1,398,000; Macdonald Engineering Co., Toronto, $1,411,000; E. G. M. Cape Co. Ltd., Montreal, $1,419,000; Poole Construction Co., Regina, Sask., $1,443,000; Fegles Construction Co., Fort William, $1,456,000.

3. Carter-Halls-Aldinger Company, Limited, Winnipeg, Man.

PORT JOLI-SABLE ROAD

Mr. BLACK (Halifax):

1. What is the total expenditure to date on the Port Joli-Sable Road, Nova Scotia, reported to the Dominion government by the government of Nova Scotia?

2. What is the total amount of expenditure in respect to which the Dominion government paid forty per cent as federal aid?

3. What is the total amount of federal aid to date paid to the Nova Scotia government on account of said road?

4. Is the Nova Scotia government claiming any additional payment? If so, what amount?

5. Is it the intention of the Dominion government to make any additional payment? If so, what amount?

6. Is the matter a closed transaction as far as the Dominion government is concerned?

[Mr. Cardin.]

7. For what reasons did the Dominion government refuse to pay the government of Nova Scotia forty per cent of the total expenditure made on said road by the government of Nova Scotia?

Hon. Mr. GRAHAM:

1. $185,942.96 as stated by province.

2. $123,759.28.

3. $49,503.71.

4. No information.

5. Final payment certificate has been issued by engineer.

6. Yes.

7. Payment of federal subsidy restricted to provisions of Canada Highways Act and regulations.

ST MARGARET'S BAY ROAD

Mr. BLACK (Halifax):

1. What is the total expenditure to date on the St. Margaret's Bay Road, Nova Scotia, reported to the Dominion government by the government of Nova Scotia?

2. What is the total amount of expenditure in respect to which the Dominion government paid forty per cent as federal aid?

3. What is the total amount of federal aid to date paid to the Nova Scotia government on account of said road?

4. Is the Nova Scotia government claiming any additional payment? If so, what amount?

5. Is it the intention of the Dominion government to make any additional payment? If so, what amount?

6. Is the matter a closed transaction as far as the Dominion government is concerned?

7. For what reasons did the Dominion government refuse to pay the government of Nova Scotia forty per cent of the total expenditure made on said road by the government of Nova Scotia?

Hon. Mr. GRAHAM:

1. $484,853.89 as stated by province.

2. $340,228.72.
3. $136,091.49.
4. No information.
5. No.
6. Yes.
7. Payment of federal subsidy restricted to provisions of Canada Highways Act and regulations.

GOVERNMENT AUTOMOBILES

Mr. MAYBEE:

1. How many passenger automobiles have been purchased by the government in each of the years 1922, 1923, 1924?
2. What make of car was purchased and the cost in each case?
3. How many are kept in the city of Ottawa?
4. What was the cost of upkeep in 1923 of such cars in the city of Ottawa?
5. What was the cost of upkeep in 1923 of such cars outside the city of Ottawa?

Mr. CHAPLIN:

1. How many motor cars have been purchased by the government for the use of ministers since January 1, 1922?
2. What are their makes and models, and what was the cost of each car?
3. Who enjoys the sole use of each of these cars?
4. From whom were these cars purchased?
5. How many cars bought prior to January 1, 1922, are still in use, and by whom in each case?
6. If new cars were purchased within the period mentioned, what disposal was made of old cars, and what did they bring in each case when sold?

Mr. BENOIT:

1. What amount did the government spend in the purchase of automobiles for use of the different departments, at Ottawa, for the years 1915, 1916, 1917, 1918, 1919, 1920, 1921 respectively?
2. To what departments were these automobiles assigned during said years?
3. What was the cost to Canada during the said respective years for (a) the wages of chauffeurs for said departmental automobiles; (b) the uniforms and gloves of chauffeurs; (c) the upkeep and repairs of said automobiles; (d) the purchase of gasoline, oil, tires, etc.?
4. Did the automobile service give satisfaction to those using them?

Right Hon. Mr. MACKENZIE KING: The foregoing questions, deal with the same subject. I should like to suggest that the three questions be combined and stand as an order for a return.

Mr. CHAPLIN: In reference to the question, standing in my name, the Minister of Railways and I have arranged that it shall stand in the meantime.

Mr. MACKENZIE KING: The question my hon. friend refers to relates to contracts for railway ties. This is a different subject altogether.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT AUTOMOBILES

Mr. MAYBEE:

1. How many passenger automobiles have been purchased by the government in each of the years 1922, 1923, 1924?
2. What make of car was purchased and the cost in each sase?
3. How many are kept in the city of Ottawa?
4. What was the cost of upkeep in 1923 of such cars in the city of Ottawa?
5. What was the cost of upkeep in 1923 of such cars outside the city of Ottawa?

Mr. CHAPLIN:

1. How many motor cars have been purchased by the government for the use of ministers since January 1, 1922?
2. What are their makes and models, and what was the cost of each car?
3. Who enjoys the sole use of each of these cars?
4. From whom were these cars purchased?
5. How many cars bought prior to January 1, 1922, are still in use, and by whom in each case?
6. If new cars were purchased within the period mentioned, what disposal was made of old cars, and what did they bring in each case when sold?

Mr. BENOIT:

1. What amount did the government spend in the purchase of automobiles for use of the different departments, at Ottawa, for the years 1915, 1916, 1917, 1918, 1919, 1920, 1921 respectively?
2. To what departments were these automobiles assigned during said years?
3. What was the cost to Canada during the said respective years for (a) the wages of chauffeurs for said departmental automobiles; (b) the uniforms and gloves of chauffeurs; (c) the upkeep and repairs of said automobiles; (d) the purchase of gasoline, oil, tires, etc.?
4. Did the automobile service give satisfaction to those using them?

GRANTS TO EXHIBITIONS

Mr. CHURCH:

1. What are the total revenues of the government from the city of Toronto, including the Canadian National Railways, for the past three years, from (a) Post Office; (b) Customs and Excise; (c) Income Tax; (d) Sales Tax; (e) other federal revenues than the above; (f) the revenues of Canadian National Railways (Toronto)?
2. What have been the grants to the Canadian National Exhibition and the Royal Agricultural Winter Fair for the past four years?
3. What sums have been spent within and without Canada on Fall Fairs and Exhibitions for the past four years, and for this year?

MIGRANTS FROM CANADA TO UNITED STATES

On the Orders of the day.

Mr. W. D. EULER (North Waterloo): I desire to bring to the attention of the government a news item which appeared in the Manitoba Free Press some days ago which reads:

Washington, March 27.—The new Immigration bill was reported to the Senate this afternoon, and will be given the right-of-way next week. The chief item of interest to Canada is the restriction upon immigrants from Canada not born in the Dominion. No quota barrier is erected against native-born Canadians, but other immigrants from Canada will be treated as though coming from the land of their birth. Thus, a Canadian citizen born in England would be refused admission if the British quota were exhausted.

Senator Colt, Republican, Rhode Island, chairman of the senate immigration committee, interviewed by the Free Press this evening, said: "The underlying principle in the bill is restriction of immigration from all countries except our sister nations on this continent. We find, however, that European immigrants evade the quota provision of the Immigration Act by colonizing in contiguous countries, notably Cuba, and then come into the United States as citizens of such country. To stop this we provided all immigrants shall be treated as coming from their native land. We had no complaint about Canada, but the provision is general, and, of course, applies to Canadian citizens not born on this continent."

I desire to ask the government if they have any information which they can give to the House as to whether this discrimination against naturalized citizens is to be carried on.

Hon. J. A. ROBB (Minister of Immigration and Colonization): Until my hon. friend (Mr. Euler) brought this matter to our attention, I had not had any notice of it. I shall look into the matter to which it refers, and make a reply in a day or two.

REDISTRIBUTION

On the Orders of the day.

Mr. McQUARRIE: Might I be permitted to ask whether it is the intention of the government to have a meeting of the Redistribution committee before the Easter adjournment? As a member of that committee I must protest against the unnecessary delay in getting down to business.

Hon. E. M. MACDONALD (Minister of National Defence): For the information of my hon. friend, I desire to say that a meeting of the committee will be called for the first of the week.

RURAL CREDITS

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): A little more than three weeks ago a question was asked of the government by a member of this part of the House to ascertain when the government would place on the Table of the House the report of the commission on Rural Credits. Up to this date there has been no intimation as to whether the government had that report or when it would lay it on the Table. As this matter is one of vital importance to western Canada, and a solution must be reached this year, I would ask the government when we may expect that report and when the House will have it before them.

Hon. Mr. ROBB: Professor Tory, who is entrusted with investigating this matter, has not yet reported. As soon as he reports to the government we will be in a position to answer the question.

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.

Mr. SPEAKER: I do not wish to be critical, but, according to Rule 17C, on Thursdays and Fridays when the Order of the Day is called for the House to go into committee of supply or of ways and means, Mr. Speaker shall leave the chair without putting any question. I suppose if I were to take the letter of the law, I would have to leave the chair, and the budget speech would be delivered in the committee of the whole House. I think I am living up to the traditions of the House by putting the question and proceeding as we have always proceeded before this rule came into force.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, in presenting the annual financial statement to parliament, I cannot refrain from expressing what I know to be the unanimous feeling of this House, our profound regret that the Minister of Finance (Mr. Fielding) is unable to be present to-day to deliver it himself. Last year that right hon. gentleman delivered his seventeenth budget speech, a record, I believe, unequalled by any other Minister of Finance within the Empire. When, upon the assumption of office by the present administration, the right hon. gentleman returned to his former post as Minister of Finance, it was at a critical period in the history of Canada. I am sure that the House will agree with me when I say that since then the Right Hon. W. S. Fielding has discharged his important and onerous duties with that ability, integrity and courage always characteristic of him during his long and distinguished career. Hon. gentlemen of all

parties in this House will, I know, join with me in wishing him a speedy recovery from his present illness and an early return to his public duties.

Fiscal Year 1922-23—Revenue

The Public Accounts for 1922-23 were submitted to parliament during this present session. The consolidated revenues or ordinary receipts obtained during that year were $394,614,900, an increase of $12,662,513.01 over the previous year.

Other receipts, amounting to $8,479,310.30, which included $8,199,333.31 received from the Imperial government to cover exchange on repayments in London to the Dominion of Canada from July, 1920, to August 2, 1921, brought the gross revenue to $403,094,210.30.

Expenditure 1922-23

The expenditure side shows $332,293,732.09 for ordinary expenses. Capital, demobliza-tion and other charges amounted to $18,314,814.63, thus making the total disbursements for that year $350,608,546.72.

The surplus of revenue over total disbursements left $52,485,663.58 available for railways, Canadian Government Merchant Marine and other obligations amounting to $84,126,730.59. Of this amount $77,862,348.23 was required for railways and $5,979,856.08 for the Canadian Government Merchant Marine. The outcome of the year resulted in an increase of $31,641,067.01 to the public debt.

Fiscal Year 1923-24

Coming now to the year 1923-24 which has just closed, I might say that some time will elapse before all the returns for that year will come to hand and allow of definite results being determined. We can, however, make a fairly close estimate which should not differ materially from the actual figures when the books are closed.

Estimated Revenue 1923-24

By adding to the actual revenue received by the Department of Finance, up to and including 31st March last, the estimated amount of revenue yet to come, the accounts for that year, when finally closed, will show a total revenue of about $396,000,000, being an increase of $1,500,000 over the revenue of 1922-23.

The estimated revenue from customs duties will be $121,800,000, an increase of $3,700,000 over the previous year. From excise duties we expect $38,200,000, an increase of about $2,500,000. The estimated revenue from excise taxes will be $121,000,000, an increase of about $14,500,000. From income taxes we estimate $53,750,000, a decrease of about $6,000,000 as compared with the previous year. From delayed business profits taxes we will receive some $4,650,000, a decrease of $8,381,000. We estimate a revenue from interest on investments of $11,700,000, being a decrease of about $4,700,000, which is accounted for by the reduction in 1922 of some $56,000,000 in the indebtedness of the Imperial government to Canada.

Estimated Expenditure 1923-24

Turning now to expenditures, it is estimated that when all accounts are closed, the expenditure for the year on ordinary account will be $328,250,000, a decrease as compared with the previous year of $4,000,000.

Estimated Surplus of Ordinary Revenue over Ordinary Expenditure, 1923-24

Taking the estimated revenue for the year ended March 31, 1924, as $396,000,000, and the estimated expenditure chargeable to Consolidated Fund as $328,250,000, there will be a surplus of revenue over the ordinary expenditure of $67,750,000, available for capital, special and other obligations.

Capital Expenditures, 1923-24

Capital expenditure for public works, including Marine department, will amount to $3,865,000, and capital expenditure for Railways and Canals, $8,305,000, making a total capital expenditure of $12,170,000, an increase of $2,362,000 over the previous year.

Special Expenditures, 1923-24

Special expenditures will amount to $8,390,000, of which $740,000 will be required for demobilization accounts, and $7,650,000 for discount and cost of loan flotations.

Railway Loans

Parliament at its last session authorised $74,550,000 for loans to the Canadian National Railway Company, to be made by way of cash, or by way of guarantee, or partly one way and partly the other. These alternative provisions for meeting railway obligations as

voted by parliament were first authorised during the session of 1921.

In July, 1921, $25,000,000 was raised by way of guarantee for Canadian Northern railway purposes; and in September, 1921, a further amount of $25,000,000 was raised by way of guarantee for purposes of the Grand Trunk Railway Company, making in all $50,000,000 by way of guarantee chargeable against the loan vote for 1921-22. During the fiscal year 1922-23, the government was in a position to meet the railway requirements by way of loans in cash. During the fiscal year just ended, $24,550,000 was paid to the railways by way of cash. We received $768,336 as a refund against the amount advanced in 1921-22 for purchase of rails.

The vote for the fiscal year was charged with $24,550,000, and the balance of $50,000,000 was raised in February last by way of guarantee and held by the Minister of Finance in a trust account, payments being made from time to time as necessity arose.

I may say that when loans are made by way of cash, under the arrangements made by the former Minister of Finance, they are treated as non-active assets and are, therefore, not taken into account when determining the net public debt. Moneys raised by way of guarantee, which places the government in the position of an endorser, do not presently affect the public debt in any way, as they are indirect obligations.

The action taken by the former Minister of Finance in treating cash loans to the Canadian National Railways as non-active assets is, I think, a very proper procedure, especially when such loans are for the purpose of meeting deficits whenever incurred, and interest charges.

Where moneys are required for construction purposes to better equip the railways for increased earning powers, there is no question that such obligations might be considered as proper capital charges, and, if necessary, be met by way of guaranteeing the issue of railway securities.

The railway issue of February last, guaranteed by the Minister of Finance, was to meet capital charges. A substantial balance is still held in trust by the minister and will be available for the railways for such purposes during the year 1924-25.

Since 1920 the following railway bond issues have been guaranteed by the Minister of Finance under special statutory authority, quite apart from the amounts provided in the annual votes of parliament for railway purposes:

October, 1920—Grand Trunk Railway Company	$25,000,000
December, 1920—Canadian Northern Railway Company	25,000,000
March, 1922—Canadian Northern Railway Company	11,000,000
August, 1923—Canadian National Railway Company—Serial Equipment Issue	22,500,000

The $22,500,000 issue of 1923 is the first equipment issue carrying the government's guarantee. The bonds are secured on the equipment purchased and, in addition, guaranteed under the Guarantee Act of 1923. This was done so as to make the security more attractive to investors and secure the highest price. Previous equipment issues were obligations of the company, specifically secured by the equipment, but without any government guarantee.

Public Debt

Turning now to the public debt. On March 31, 1923, our net public debt stood at $2,453,776,868.74. Our estimated ordinary revenue for the year just closed is $396,000,000. Our estimated ordinary expenditures of $328,250,000, and capital expenditures $12,170,000; special expenditures $8,390,000; railway loans $23,781,664; Canadian Government Merchant Marine loans $1,500,000, and loans to Quebec Harbour Commission, which are treated as a non-active asset, $500,000, together with an amount of $621,987 carried on the books of the department for Victoria Shipowners, Limited, which it is proposed to treat as a non-active asset in the place of an active asset as heretofore make the total charges $375,213,651. Our surplus of ordinary revenue over these expenditures will therefore be $20,786,349 to be applied towards the reduction of the national debt as it stood on March 31, 1923. To this must be added $1,317,000, being the amount of sundry outstanding indebtedness cancelled during the past year, and a further amount of $8,305,760.37 received in settlement of an adjustment of acknowledged book debts between the Imperial and the Dominion governments. These two amounts, totalling $9,622,760.37, together with the $20,786,349 surplus of revenue over total expenditures, reduce our net public debt as of March 31, 1923, by the amount of $30,409,109.37.

On March 28 last an adjustment of acknowledged book debts between the Imperial and the Dominion governments was effected. The Imperial government as shown by the books of the Department of Finance, were indebted to us in the amount of $66,779,597.42. On the other hand, the Imperial gov-

ernment held our bonds to an amount of $67,207,351.17, of which $2,000,000 were 3½ per cent bonds maturing 1925-28, and $65,207,351.17 were 4½ per cent bonds maturing 1925-45, the bonds being part of an issue made by Canada to the Imperial government in 1916. Negotiations were undertaken and settlement made by offsetting bonds issued to the Imperial government against their indebtedness to Canada. The unmatured bond issues were taken at the rate of 92.91 for the 3½ per cent issue and 87.48 for the 4½ per cent issue. A settlement was effected on a 5½ per cent basis, being the rate of interest Canada is paying on her outstanding Victory loans from which the moneys were obtained for advances to the Imperial government. The value of the bonds at these rates was $58,901,590.80, being $8,305,760.37 under their face value.

Refunding Loan

On November 1, 1923, the 5½ per cent five-year bonds of the 1918 Victory loan issue amounting to $172,459,650 matured. In September last tenders were asked for an issue of a five per cent refunding loan. The highest bid, from a Canadian syndicate, was accepted, namely, $53,000,000 five-year bonds at 96.75 and accrued interest and $147,000,000 twenty-year bonds at 96 and accrued interest. Arrangements were made with the syndicate to give to holders of the maturing bonds the privilege of converting their holdings into bonds of the refunding issue. The price to the public was 99 for the five-year bonds and 98.25 for the twenty-year bonds. The maturity date of the refunding loan is October 15, 1928, for the five-year bonds, and October 15, 1943, for the twenty-year bonds. It was stipulated that the syndicate should associate with themselves the recognized bond dealers in Canada. All commissions to banks and brokers, advertising expenses and all other charges usually included in flotation expenses, were borne by the syndicate. Holders of the matured bonds took advantage of the offer to the extent of $59,388,200, leaving a balance of $113,071,450 to be redeemed in cash.

Fiscal Year 1924-25

I come now to the fiscal year 1924-25. Estimates of revenue for the year upon which we have just entered cannot be made with any degree of accuracy. The revenue we would receive on the present basis of taxation would be materially affected by reductions in taxes which, in view of the most satisfactory outcome of the year just closed, it is proposed to submit to parliament. It is hoped, however, to offset any considerable reduction in the revenue by a most rigid economy in expenditures. The estimates now before the House show a very substantial reduction as compared with the estimates of last year. We shall no doubt have supplementaries, but rigid economy will be exercised in their preparation; and in this the government hopes for and expects co-operation from all sections of Canada.

Canadian Trade—Merchandise Only

I desire, Mr. Speaker, to place on record tabulated statements illustrating the development of Canadian trade. For comparison I have taken the year immediately preceding the war, then the years 1922 and 1923, and eleven months ended February, 1924. With the permission of the House I will place these statements on Hansard.

Trade with the United Kingdom

Fiscal Year ended 31st March	Imports for Consumption	Total Exports	Excess of Exports over Imports
1914..	$132,070,406	$222,322,292	$ 90,251,886
1922..	117,135,343	300,363,193	183,227,850
1923..	141,330,143	379,918,526	238,588,383
Eleven Months ended Feb., 1924 (unrevised).. ..	138,224,868	332,276,770	194,051,902

Trade with the British Empire
Including the United Kingdom

Fiscal Year ended 31st March	Imports for Consumption	Total Exports	Excess of Exports over Imports
1914..	$154,526,846	$246,032,121	$ 91,505,275
1922..	149,109,253	347,450,451	198,341,198
1923..	179,638,805	440,993,115	261,354,310
Eleven Months ended Feb., 1924 (unrevised).. ..	178,619,198	408,714,744	230,095,546

Trade with United States

Fiscal Year ended 31st March	Imports for Consumption	Total Exports	Excess of Imports over Exports
1914..	$396,302,138	$176,948,299	$219,353,839
1922..	515,958,196	304,104,177	211,854,019
1923..	540,989,738	380,347,721	160,642,017
Eleven Months ended Feb., 1924 (unrevised).. ..	540,461,296	397,369,390	143,091,906

Trade with all Foreign Countries

Fiscal Year ended 31st March	Imports for Consumption	Total Exports	Excess of Imports over Exports
1914..	$464,667,152	$209,405,103	$255,262,049
1922..	598,695,079	406,476,558	192,218,521
1923..	622,940,439	504,302,722	118,637,717
Eleven Months ended Feb., 1924 (unrevised).. ..	627,794,090	556,223,251	71,570,839

Total trade with all Countries

Fiscal Year ended 31st March	Imports for Consumption	Total Exports	Excess of Imports over Exports
1914..	$619,193,998	$455,437,224	$163,756,774
			Excess of Exports over Imports
1922..	747,804,332	753,927,009	6,122,677
1923..	802,579,244	945,295,837	142,716,593
Eleven Months ended Feb., 1924 (unrevised).. ..	806,413,288	964,937,995	158,524,707

It will be observed that these statements show:

1. Canadian trade with the United Kingdom;

2. Canadian trade with the British Empire, including the United Kingdom;

3. Canadian trade with the United States;

4. Canadian trade with all foreign countries; and

5. A summary of total Canadian trade with all countries.

This brief statement showing the steady growth of Canadian trade with the nations of the world must be gratifying to Canadians.

During the fiscal year ended March 31, 1914—four months before the outbreak of the Great War—Canada had a total foreign trade of $1,074,631,222, with an excess of imports over exports of $163,756,774. To that extent the balance of trade was against Canada. The fiscal year ended March, 1922, shows a total foreign trade of $1,501,731,341. The difference between exports and imports was only $6,122,677, but the balance was favourable to Canada. In the fiscal year ended March, 1923, we had a total foreign trade of $1,747,875,081, with a favourable balance of $142,716,593 over imports. In other words, Canadian foreign trade had increased 60 per cent over that of 1914, an unfavourable trade balance of $163,756,774 had been converted into a favourable balance of $142,716,593.

Returns for the eleven months ended February, 1924, indicate continued healthy growth of Canadian foreign trade. Already both imports and exports exceed those of 1923, and the balance of trade favourable to Canada on eleven months' business is $158,524,707. Statistics indicate that each succeeding year Canadians are increasing the percentage of products marketed in the finished or semi-finished condition, thus providing more labour for our own people and higher class freight for Canadian railways.

We now come to the resolutions which I am about to submit to the House proposing Customs tariff changes, and reductions under the Special War Revenue Act. These resolutions will show a substantial reduction in taxation. For purposes of brevity and clearness I shall place the proposed changes in groups according to the classes affected.

Customs Tariff and Consumption or Sales Tax Reductions

Items	Farming Industry Preferential Tariff Old rate	Farming Industry Preferential Tariff Proposed rate	General Tariff Old rate	General Tariff Proposed rate
Mowing machines, harvesters, binders, reapers..	7½	free	10	6
Cultivators, harrows, horse-rakes, seed drills manure spreaders, and weeders..	10	free	12½	7½
Ploughs, threshing machines and complete parts thereof..	10	5	15	10
Farm or field rollers, post hole diggers, hay loaders, stumping machines, grain crushers, potato-diggers, hay tedders and other agricultural implements	10	5	15	10
Farm wagons..	10	5	17½	10
Fertilizers..	5	free	10	free
Axes, scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, rakes and pronged forks..	15	10	22½	20
Shovels and spades. ..	20	10	32½	20

It is proposed to remove the sales tax from all the foregoing items grouped under the heading of Farming Industry and also from binder twine. Fertilizers are already exempt.

Materials for Agricultural Implements

It is proposed to give to manufacturers of agricultural implements "free entry" on pig iron, bar iron and bar steel when used in the manufacture of mowers, binders and reapers, in lieu of a drawback of 99 per cent. The "free entry" is also extended to these raw materials when used in the manufacture of cultivators, harrows, horse-rakes, seed-drills, manure spreaders and weeders. Materials which enter into the cost of the aforementioned items and other implements on which the duty is to be reduced will be entitled to entry at 7½ per cent under all tariffs.

It is proposed to grant a drawback of 99 per cent on materials and parts of implements on hand imported prior to this date which will have entered into the cost of all agricultural implements on which the duty is to be reduced. It is also proposed to exempt from the sales tax all the articles and materials to be used in the manufacture of these

agricultural implements, as well as goods consumed in the process of manufacture.

Fruit Growing Industry

Items	Preferential Tariff Old rate	Preferential Tariff Proposed rate	General Tariff Old rate	General Tariff Proposed rate
Spraying machines, fruit or vegetable grading machines, pruning hooks, pruning shears.	10	5	15	10

It is proposed to remove the sales tax from the foregoing items and also from nicotine sulphate and spraying preparations.

Poultry Industry

Items	Preferential Tariff Old rate	Preferential Tariff Proposed rate	General Tariff Old rate	General Tariff Proposed rate
Incubators for hatching eggs, brooders for rearing young fowl..	10	5	15	10

We propose removing the sales tax from these items as well as from poultry feed.

Dairying Industry

Items	Preferential Tariff Old rate	Preferential Tariff Proposed rate	General Tariff Old rate	General Tariff Proposed rate
Milking machines, centrifugal machines for testing butter fat, milk or cream.. ..	10	5	15	10

The sales tax is to be removed from the foregoing items and also from cream separators and parts thereof, and extract of rennet.

Mining and Quarrying Industry

Items	Preferential Tariff Old rate	Preferential Tariff Proposed rate	General Tariff Old rate	General Tariff Proposed rate
Rock drills, percussion coal cutters, coal augers, stamp mills, ore and rock crushers, and rotary and coal drills..	15	10	27½	20
Coal-washing machinery, coke-making machinery, and machinery and apparatus for use exclusively in the distillation or recovery of products from coal tar or gas..	20	7½	30 and from	12½
	15	7½	27½	12½

It is proposed to remove the sales tax from the foregoing items grouped under the heading of mining and quarrying. In addition the sales tax is to be removed from mining cars and other similar appliances used for mining or quarrying, and from explosives.

Lumbering Industry

Items	Preferential Tariff Old rate	Preferential Tariff Proposed rate	General Tariff Old rate	General Tariff Proposed rate
Saw-mill machinery.. ..	15	10	25	20
Logging machinery which includes logging cars, blocks and tackle, yarders and praticially all machinery used exclusively for logging operations..	15 and 20	10	30 and 27½	20
Logging wagons..	17½	5	25	10

The sales tax is also to be removed from the foregoing items pertaining to the lumbering industry.

Fishing Industry

All marline for the fisheries is to be made free of customs duty; heretofore only barked marline has been free.

We propose that the sales tax on rubber boots shall be reduced from 6 per cent to 2½ per cent. Rubber boots, as hon. gentlemen know, are used extensively in the fishing industry.

Barked marline for the fisheries is already exempt from sales tax, and, as a result of the change we are proposing, all marline for the fisheries will become exempt from the sales tax.

Breadstuffs and Provisions

It is proposed to remove the sales tax from the following articles:

Cereal foods, macaroni and vermicelli, sago and rice.
Meats, salted or smoked.

The sales tax is being reduced from 6 per cent to 2½ per cent on biscuits, canned vegetables, canned fruits, jams and preserves.

Boots and Shoes, including rubber footwear

We propose to reduce the sales tax from 6 per cent to 2½ per cent.

The sales tax will be removed from milk foods.

Materials Consumed in Process

Woollen, and many other manufacturing establishments will benefit by a proposed clause which will provide that materials, consumed in process of manufacture or production, which enter directly into the cost of goods subject to the consumption or sales tax, will be exempt from the sales tax.

Well-drilling machinery and apparatus

The sales tax is to be removed.

Crutches are being made free of both customs and sales tax.

Traction ditching machines: The value for "free entry" purposes is being increased from $3,000 to $3,500. Under existing conditions traction ditching machines are admitted free up to a valuation of $3,000 each. When that valuation was fixed, that apparently was the value of the machine, but since then it has increased, and the government propose to increase the value for free entry from $3,000 to $3,500.

Consumption or Sales Tax

In addition to the reductions already mentioned, the sales tax is to be reduced from 6 per cent to 5 per cent. In the case of every item that comes under that tax, the maximum charge will be 5 per cent.

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

The list of exemptions from the sales tax is to be enlarged. The following are some of the principal articles affected:

Well-drilling machinery and apparatus:
Books for the blind;
Scientific and text books;
Printed text books authorized by the Department of Education of any province in Canada;
Milk foods and prepared cereal foods;
Nicotine sulphate;
Disinfecting, dipping, and spraying preparations;
Church bells;
Chain;
Agricultural implements (of which details are given elsewhere);
Saw-mill and logging machinery (details given elsewhere);
Surgical instruments and appliances for hospitals;
Carbolic oil for creosoting lumber;
Insulin;
Cream separators;
Philosophical apparatus for use in schools and colleges.
Binder twine.

In connection with the discount on importations under the British preferential tariff into Canadian ports enacted at the last session of parliament, it is proposed that in computing the ad valorem rate of duty on tea purchased in bond in the United Kingdom, the value for duty shall not include the amount of the customs duty payable on tea for consumption in the United Kingdom. When the British duty was added it brought the value up so high that the computed rate did not exceed fifteen per cent and therefore was not entitled to the discount.

As a result of these proposed changes it is estimated that there will be a reduction in customs and sales tax revenue of $24,000,000.

[Mr. Robb.]

Whatever division of opinion Canadians may have, surely we share a united confidence in the future of our country. We have great natural resources. We have certain basic industries, upon the success of which depend the growth of all other industries, and the greater development of our trade. Of these basic industries, I would place agriculture, in all its varied branches, first. Next to agriculture, I would place our forests, our minerals and our fisheries. A real national policy is a policy that will encourage the growth and development of these basic industries. 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 will have money to buy. In that belief, Sir, we submit to-day proposals to lighten the burden of taxation on these primary, basic industries. Our budget shows a reduction in debt of $30,000,000 last year, and a reduction in 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.

RESOLUTIONS

I beg to give notice that upon the House resolving itself into committee I shall move the following resolutions:

Customs Tariff

1. Resolved, That the Customs Tariff, 1907, be amended by adding after paragraph (d) of section four the following as paragraphs (e) and (f) of section four:

(e) Extend the benefit of the British Preferential Tariff to any territory administered under a mandate of the League of Nations by any British country, to which British country the benefit of the British Preferential Tariff has been extended; and from and after the publication of such Order in Council in The Canada Gazette the British Preferential Tariff shall apply to goods the produce or manufacture of such territory, subject to the provisions of this Act.

(f) Withdraw the benefit of the British Preferential Tariff from any territory administered under a mandate of the League of Nations which has received said benefit; and from and after the publication of such order in The Canada Gazette, the General Tariff or the Intermediate Tariff, as mentioned in the said order, shall apply to goods the produce or manufacture of such territory subject to the provisions of this Act.

2. Resolved, That it is expedient to amend The Customs Tariff, 1907, by adding at the end of section five thereof as enacted by Chapter forty-two of the statutes of 1923 the following proviso:

Provided that in computing the ad valorem rate of duty on tea purchased in bond in the United Kingdom, the value for duty shall not include the amount

of the customs duty payable on tea for consumption in the United Kingdom.

3. Resolved, That Schedule A to The Customs Tariff, 1907, as amended by Chapter twenty-six of the Statutes of 1914, Chapter nineteen of the Statutes of 1922 and Chapter forty-two of the Statutes of 1923, be further amended by striking thereout tariff items:—275, 445, 445a, 446, 446a, 446b, 447a, 447b, 448, 448a, 448c, 449, 450, 453b, 591, 663, 682, the several enumerations of goods respectively, and the several rates of duties of Customs, if any, set opposite each of said items, and to provide that the following items, enumerations and rates of duty be inserted in Schedule A:—

Tariff Items	—	British Preferential Tariff	Intermediate Tariff	General Tariff
12a	Sausage skins or casings, cleaned	Free	15 p.c.	17½ p.c.
68a	Peanut shells or peanut hull meal for use in the manufacture of explosives	Free	Free	Free
157b	Rum, when imported by the Department of Customs and Excise or by a person licensed by the Minister of Customs and Excise, to be denatured for use in the arts and industries, to be entered at ports prescribed by regulation of the Minister of Customs and Excise, subject to the Inland Revenue Act and to the Regulations of the Department of Customs and Excise, per proof gallon	Free	60 cts.	60 cts.
180b	Artists' proof etchings unbound, such as are printed by hand from plates or blocks etched or engraved with hand tools and not such as are printed from plates or blocks etched or engraved by photo-chemical or other mechanical processes	Free	Free	Free
275	Oil when imported by miners or mining companies or concerns, to be used in the concentration of ores of metal in their own concentrating establishments, under regulations prescribed by the Minister of Customs and Excise	Free	Free	Free
348c	Brass or copper tubing, not more than one-half of an inch in diameter, in lengths not less than six feet, coated with metal, and not polished, bent, or otherwise manufactured	5 p.c.	10 p.c.	10 p.c.
445	Mowing machines, harvesters, self-binding or without binders, binding attachments, reapers and complete parts thereof	Free	6 p.c.	6 p.c.
445a	Articles which enter into the cost of the manufacture of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591, when imported by manufacturers of such goods for use in the manufacture of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591, provided that goods which are entitled to free entry or a lower rate of duty than is mentioned in this item shall not be entered at the rate specified in this item	7½ p.c.	7½ p.c.	7½ p.c.
445b	Rolled iron or steel in bars, coils or rods and pig iron, when imported by manufacturers for use exclusively in their own factories in the manufacture of goods enumerated in tariff items 445 and 446	Free	Free	Free
446	Cultivators, harrows, horse-rakes, seed-drills, manure spreaders and weeders and complete parts thereof	Free	7½ p.c.	7½ p.c.
446a	Traction ditching machines (not being ploughs) adapted for tile drainage on farms, valued by retail at not more than three thousand five hundred dollars each, and complete parts thereof for repairs	Free	Free	Free
446b	Ploughs and complete parts thereof	5 p.c.	10 p.c.	10 p.c.
447a	Gas or gasoline traction engines for farm purposes, valued at not more than fourteen hundred dollars each, and complete parts thereof; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes and parts thereof for repairs	Free	Free	Free
447b	Wind-stackers, and threshing machine separators, including baggers, weighers and self-feeders therefor, and complete parts thereof	5 p.c.	10 p.c.	10 p.c.

Tariff Items	—	British Preferential Tariff	Intermediate Tariff	General Tariff
448	Spraying machines, fruit or vegetable grading machines, incubators for hatching eggs, brooders for rearing young fowl, pruning hooks, pruning shears, hay loaders, potato-diggers, fodder or feed cutters, grain crushers, fanning mills, hay tedders, farm or field rollers, post hole diggers, snaths, milking machines, milking machine attachments; centrifugal machines for testing butter fat, milk or cream; stumping machines, and other agricultural implements, n.o.p., and complete parts of articles specified in this tariff item	5 p.c.	10 p.c.	10 p.c.
449	Axes, scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, rakes, n.o.p., and pronged forks	10 p.c.	15 p.c.	20 p.c.
450	Shovels and spades of iron or steel, n.o.p.; shovel and spade blanks, and iron or steel cut to shape for the same	10 p.c.	15 p.c.	20 p.c.
450a	Lawn mowers	20 p.c.	30 p.c.	32½ p.c.
453b	Machinery for sawing lumber, up to but not including the point of planing, and complete parts thereof, not to include motive power; machinery, logging cars, blocks and tackle, and complete parts thereof, for logging purposes exclusively	10 p.c.	15 p.c.	20 p.c.
453c	Ore crushers, rock crushers, stamp mills, rock drills, percussion coal cutters, coal augers, rotary coal drills, and complete parts of all articles mentioned in this item, when for use exclusively in mining operations	10 p.c.	15 p.c.	20 p.c.
460b	Machinery and apparatus for use exclusively in washing coal; machinery and apparatus for use exclusively in producing coke and gas; machinery and apparatus for use exclusively in the distillation or recovery of products from coal tar or gas; and integral parts of all machinery or apparatus enumerated in this item not to include motive power nor tanks for gas	7½ p.c.	10 p.c.	12½ p.c.
476a	Steel of number twenty gauge and thinner, but not thinner than number thirty gauge, for the manufacture of phonograph motor springs when imported by manufacturers of phonograph motor springs for use exclusively in the manufacture of such articles in their own factories	Free	Free	Free
502b	Bicycle rim strips of maple not further manufactured than bent to shape and jointed	10 p.c.	12½ p.c.	15 p.c.
506a	Crutches or specially constructed staffs for a cripple	Free	Free	Free
533b	Linters of short fibres of cotton, bleached, when imported by manufacturers of blotting paper to be used in their own factories for the manufacture of blotting paper	7½ p.c.	10 p.c.	12½ p.c.
591	Farm wagons, logging wagons, and complete parts thereof	5 p.c.	10 p.c.	10 p.c.
663	Fertilizers, compounded or manufactured, n.o.p.	Free.	Free	Free
663b	Articles which enter into the cost of the manufacture of fertilizers, when imported for use exclusively in the manufacture of fertilizers	Free	Free	Free
682	Fish hooks, for deep-sea or lake fishing, not smaller in size than number 2·0; bank, cod, pollock and mackerel fish lines; and mackerel, herring, salmon seal, seine, mullet, net and trawl twine in hanks or coil, barked or not,—in variety of sizes and threads—including gilling thread in balls, and head ropes for fishing nets; marline, and net norsels of cotton, hemp, or flax; and fishing nets or seines, and manila rope, not exceeding one and one-half inches in circumference, when used exclusively for the fisheries, not to include hooks, lines, nets or ropes commonly used for sportsmen's purposes	Free	Free	Free

4. Resolved, That Schedule B to The Customs Tariff, 1907, as amended by chapter nineteen of the Statutes of 1922 and chapter forty-two of the Statutes of 1923, be further amended by striking thereout items 1002, 1026, 1027, 1031, 1036, the enumeration of goods, and the rate of drawback to the said items, and to provide 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
1026	Materials, including all parts, imported prior to eleventh day of April, 1924.....	When enteringinto the cost of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591, before the first day of July, 1927	99 p.c.
1027	Materials.....	When used by manufacturers of malleable iron castings or steel shafting for use exclusively in the manufacture of such articles for use in the manufacture of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591.....	80 p.c.
1031	Artificial silk tops and waste or artificial fibre silk, artificial silk yarns or filaments, enumerated in tariff items 583a and 583aa.	When further manufactured before the first day of January, 1925....	60 p.c.
1036	Bar iron or steel, rolled, whether in coils or bars, one and one-eighth of an inch in diameter and over.	When used in the manufacture of goods enumerated in tariff item 410.....	99 p.c.
1038	Materials, including all parts.....	When used in the manufacture of goods enumerated in tariff item 544a.....	99 p.c.
1039	Materials, including all parts not finished.	When used in the manufacture of goods enumerated in tariff items 447 and 448b.....	30 p.c.
1040	Bags, boxes and barrels.....	When imported by producers of salt, for use in covering salt produced in Canada.....	60 p.c.
1041	Materials.....	When used in the manufacture of bags, boxes and barrels, when such bags, boxes and barrels are used in covering salt produced in Canada.....	60 p.c.

5. Resolved, That any enactment founded on the foregoing resolutions shall be deemed to have come into force on the eleventh day of April, one thousand nine hundred and twenty-four, and to have applied to all goods mentioned in the foregoing resolutions 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.

Special War Revenue Act

1. Resolved, that it is expedient to introduce a measure to amend The Special War Revenue Act, 1915, and amending acts, by providing that the rate of the consumption or sales tax imposed by section nineteen BBB of the said act shall be reduced from six per cent to five per cent.

2. Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, 1915, and amending acts, by providing that the following goods shall be exempt from the consumption or sales tax imposed by section nineteen BBB of the said act, that is to say:—books enumerated in Customs Tariff items 173 and 175; printed text-books authorized by the Department of Education of any province in Canada; goods enumerated in Customs Tariff items 45, 46, 209b, 219a, 352a, 410, 410a, 445, 445a, 445b, 446, 446b, 447b, 448, 449, 450, 453b, 453c, 460, 460a, 460b, 461, 461a, 466, 466a, 469 including goods enumerated in this item of a class or kind made in Canada, 506a, 544, 591, 591a, 663b, 666, 667, 696; insulin; extract of rennet; poultry feed; ice cream; sago; rice, cleaned; macaroni and vermicelli; meats, salted or smoked; carbolic or heavy oil, to be used only in creosoting timber; cream separators and parts thereof; cars and other similar appliances for use exclusively at a mine or a quarry for mining or quarrying; articles and materials to be used exclusively in the manufacture of goods enumerated in Customs Tariff items 219a, 410, 410a, 445, 445a, 445b, 446, 446b, 447b, 448, 449, 450, 453b, 453c, 460, 460a, 460b, 461, 461a, 466, 466a, 469 including goods enumerated in this item of a class or kind made in Canada, 506a, 591, 591a, 663, 666, 667, 696; articles and materials to be used exclusively in the manufacture of cars and other similar appliances for use exclusively at a mine or a quarry for mining or quarrying; articles and materials to be used exclusively in the manufacture of cream separators and parts thereof; materials, not to include plant equipment, consumed in process of manufacture or production, which enter directly into the cost of goods subject to the consumption or sales tax, manufactured or produced by a licensed manufacturer or producer; 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 410, 410a, 445, 445a, 445b, 446, 446b, 447b, 448, 449, 450, 453b, 453c, 460, 460a, 460b, 461, 461a, 466, 466a, 469 including goods enumerated in this item of a class or kind made in Canada, 506a, 544, 591, 591a, 663,

663b, 666, 667, 696; and by providing that on the following goods there shall be imposed, levied and collected only fifty per cent of the said consumption or sales tax, that is to say:—boots and shoes, including rubber footwear; biscuits of all kinds; goods enumerated in Customs Tariff items 86, 105, and 106.

3. Resolved, That it is expedient to amend The Special War Revenue Act, 1915, and amending Acts, as follows, that is to say:—

(a) By repealing subsection three of section nineteen BBB of the said Act and substituting therefor a new subsection three providing that if at any time it appears to the Minister of Customs and Excise that payment of the consumption or sales tax is being evaded by a licensed manufacturer or producer or licensed wholesaler or jobber the Minister may require that the consumption or sales tax shall be imposed, levied and collected on any material specified by the Minister, sold to any licensed manufacturer or producer or licensed wholesaler or jobber or to any class of licensed manufacturers or producers or licensed wholesalers or jobbers specified by the Minister, at the time of sale of such material when produced or manufactured in Canada, or at the time of entry for consumption by such licensed manufacturer or producer or licensed wholesaler or jobber when such material is imported, subject to deduction thereafter on submission by the licensed manufacturer or producer or licensed wholesaler or jobber of proof that such material has been used in the manufacture of an article which is subject to the consumption or sales tax and on which the said tax has been paid.

(b) By repealing subsection five of said section nineteen BBB.

(c) By striking out subsection six of said section nineteen BBB and substituting therefor the following:—

"(6) Subject to the provisions of subsection three of this section, every manufacturer or producer shall take out an annual license for the purpose aforesaid, and the Minister may prescribe a fee therefor, not exceeding two dollars, and the penalty for neglect shall be a sum not exceeding one thousand dollars. Provided that the Minister may direct that any class of small manufacturer or producer selling his product exclusively by retail shall be exempt from payment of consumption or sales tax on goods manufactured or produced by him and persons so exempted shall not be given a license. Such exemption may be withdrawn by the Minister."

4. Resolved, That any enactment founded on the foregoing resolutions numbers one and two shall be deemed to have come into force on the eleventh day of April, one thousand nine hundred and twenty-four, and to have applied to all goods mentioned in the foregoing resolutions 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; and that any enactment founded on the foregoing resolution number three shall come into force on the first day of July, one thousand nine hundred and twenty-four.

Sir HENRY DRAYTON (West York): I rise, Mr. Speaker to move the adjournment of the debate, but before doing so I desire to make one or two observations. In the first place I want to congratulate the Acting Minister of Finance (Mr. Robb) on the very pleasing and friendly way in which he has discharged the duties which devolved upon him. He has been frank and I think he has made the best of an impossible job.

[Mr. Robb.]

Mr. BUREAU: The job and the man are all right.

Sir HENRY DRAYTON : I say that my hon. friend the Acting Minister of Finance has been frank. He has pointed out to us that in connection with a good many of the better showings that can be made, the activities of past years must be taken into consideration; he has been frank in showing that out of a debt reduction of $30,000,000 no less than $10,000,000 is due to the previous administration. He is frank also in pointing out that the surplus claimed is obtained by the elimination of obligations which we are now entering into, but absolutely real in view of the value of the investment and I call upon the Minister of Railways (Mr. Graham) for a corroboration of this—railway obligations to the extent of $72,500,000, which we will finally pay.

While my hon. friend has been brief in his statement, he has given us a lot of material which I think should be carefully considered. and I propose to move the adjournment of the debate. to which I think there is no objection, until Monday next, there being comparatively few members in attendance as a rule on Friday. Before submitting the motion I wish to point out one or two things that we on this side conceive should be looked into in connection with these budget propositions. The first thing that we look upon as essential in a budget at the present time is something which will enure to the benefit of Canada as a country rather than to the advantage of other nations; something which every patriotic Canadian will look upon as extremely necessary; something which would go far to stop the exodus of Canadian workingmen to the United States; something which will tend to change the present policy which however conceived will have for its inevitable result the expansion of the United States rather than the building up of Canada. That is one of the matters we shall give special attention to when studying these questions.

We also regard as essential the restoration of the purchasing power of the Canadian people as a whole. That is something which is of importance not only to the farming community but to every industry in the Dominion. We are wondering what is being done by this budget to check the exodus, and the admitted exodus, of 181,000 capable and educated Canadians, who paid their head tax and entered the United States. This startling disclosure is made by official returns. These men left Canada for the purpose of finding that work which was denied them in their own

country, that work which was denied them in the land of their birth. Now, we should like to find a policy adopted which would restore these 181,000 good Canadians to their native land and enable it to benefit from the resumption of their activities in the Dominion. Many of these men left Canada as a result of the closing down of our woollen factories. Many of them earned a livelihood of $29 a week; in mere labouring work others earned $23 a week. Reducing the amount lost to the low average earnings per capita of $1,000 a year one can see at a glance the great loss in the purchasing power of the Canadian home market on which at any rate the majority of our farmers depend. We have removed from that market a purchasing power of no less than $181,000,000, and we would expect something to be done in connection with the present budget to remedy that serious loss. 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. Certainly the least we might expect is that something would be done to help him in his own market. Thus we would expect that the producer of cheese in Canada would have something done for him when we remember that the sales of American cheese in this Dominion have increased 86 per cent, while his own market has been cut in two. We would expect that something would be done for the great basic industry of agriculture, and especially for mixed farming the development of which my hon. friend the Minister of Agriculture (Mr. Motherwell) preaches so sedulously. We would expect something which would change the situation which permits American eggs to the amount of $2,416,000 to be sold in Canada, whereas the sale of Canadian eggs in the adjoining republic amounted to the small sum of only $49,000. We would also expect something to be done to help the vegetable grower of Canada whose market is encroached upon to a serious extent by products from the United States.

I do not know that we should expect impossibilities to be done by this budget. That would be to restore to the industrial worker everywhere the confidence which he placed in the professions of faith of hon. gentlemen opposite in the Fielding-Laurier tariff which he desired. And at the same time the faith of the grain growers of the West that the Liberal platform of 1919 was seriously meant. Hon. gentlemen opposite have before them the task of reconciling these rival claims. We are going to consider the whole fiscal policy having regard to the doctrine preached by the Finance Minister (Mr. Fielding) last year that there should be stability in tariff but stability looking to the expansion of all matters Canadian.

We have not the budget before us yet, but I want to make just one statement to the minister which is perhaps an answer to much that he has said in connection with traffic over our railways and the like, and that is simply this. There was a time when our railways in western territory were good assets, but we have got a return to-day by the Minister of Railways and Canals (Mr. Graham) showing how the earnings of the National system are made up. The hon. Acting Minister of Finance (Mr. Robb) talks about the great increase of industrial and agricultural activity that his measure will produce. Why, we have never had a bigger or better year, so far as volume is concerned, than the present year; and yet the whole earnings of all the western territories, the prairie provinces and British Columbia, for the last year amount to $72,000,000 and the operating expenses amount to $74,000,000; so that as a result, with the movement of the greatest crops we have ever had, we still have a railway deficit in actual operation in western Canada this year of $2,020,000. On the other hand, in Ontario and Quebec, in the central region of industry, the National Railways earn $127,900.000, with operating expenses of $109,212,000, a credit of $18,687,-000. I hope a study of these resolutions that have been brought down will not result is this: That defenceless industrial Canada is further shackled, and that a complete Americanization of many lines of industry is made certain; that the exodus this year of 181,000 good working Canadians is to be indefinitely and permanently increased. We hope a study of these resolutions will not disclose these results. We fear it will, but we hope not. I beg to move the adjournment of the debate till next Monday.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reference to the motion my hon. friend has just made, as I intimated last night, it was the hope and expectation of the government that the debate would proceed this afternoon and continue until concluded. If, however, my hon. friend wishes a little longer time to prepare his speech, there will be no objection to the adjournment; I should have thought, however, that an adjournment until tomorrow would have been sufficient. My hon. friend has expressed a desire to have the debate adjourned until Monday, and if that is his wish of course we will accede to it. I would like to have an understanding with my hon. friend's leader as to what we may be per-

mitted to take up on Friday. If we accommodate my hon. friend's party, I hope he will extend a like accommodation to us. We would like to take up the Labour estimates on Friday, among other things, but there is a technical rule which would prevent us going into supply on Friday on the Labour estimates without the consent of the House. If the House is agreeable and will give us consent, we are quite agreeable to the adjournment.

Sir HENRY DRAYTON: I think my right hon. friend is mistaken as to the object of the adjournment. It is not to prepare a speech; that is an easy matter and could be done at once. It is to find out, in view of the resolutions, whether in fact they are as bad as they appear, or whether some of them can be supported.

Mr. MACKENZIE KING: I am glad my hon. friend has given the reason which he has mentioned, just now; when he asked for the adjournment it was because so few members would be present on Friday. I do not think that is a very good reason, and the one he has just urged is equally bad. However, we are prepared to go on with the railway resolutions, and continue them, but we would like to take up Labour estimates to-morrow.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Hitherto, with all budget speeches, the desire of the opposition to have the debate adjourned until the following week, if the budget speech was delivered either on the last or the second last day of the week, has been acceded to without conditions. I am surprised that an attempt has been made to imply conditions now. I, for one, will submit to no conditions. If the government refuse the adjournment till Monday they will take the responsibility.

Mr. MACKENZIE KING: My right hon. friend has taken his characteristic attitude. I made the request, owing to a difficulty which arises in respect to a technical rule, in the hope that the right hon. leader of the opposition might help to expedite the business of the House by permitting us to take up the Labour estimates to-morrow. However, I have no desire to imitate the pettiness of my right hon. friend, and am ready to accede to the hon. member's request.

Motion agreed to and debate adjourned.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolutions:

TURTLEFORD—HAFFORD

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Turtleford, in a generally southeasterly direction, to a point at or near Hafford, in the province of Saskatchewan; mileage already graded, 23 miles; estimated mileage including existing grading, 102 miles; estimated cost, $2,313,000.

He said: The other day an hon. gentleman on the other side of the House asked me if it was the intention of the government to submit these bills to the Railway committee. I think the answer given was that it was not the intention to do so. Several hon. members have suggested that we would be expediting matters by placing the Canadian National Railways to a certain extent at least in the same position as a private company, in the matter of appearing before the Railway committee.

I have considered the matter carefully, but I am not sure what will be gained by it. Government measures are not usually submitted to a committee; but if this would expedite business at all, I would have no objection provided that, first, I would be allowed to take up those bills that have had a first reading, give them a second reading and submit them to the Railway committee. This much would have to be understood, in fairness to the opposition, of course, that opportunity would have to be given on the second reading of some of these bills to discuss the principle involved as to the three-year programme. I imagine the Railway committee might not want to deal with that entirely, although they would discuss it. Therefore, if this is agreeable to the House, I might be permitted to move these other bills a second reading and then move that they be referred to the Railway committee. I will do so as the first order of business and let the Railway committee deal with them.

Sir HENRY DRAYTON: I appreciate the fact that they cannot be referred to the Railway committee until they have received second reading; but if the hon. gentleman says that they will go to the Railway committee, that will save a great deal of time in this House. We would have liked to help him in that regard last year. We have already consented to some of them, and if my hon. friend will make a note of them on his agenda, perhaps I can help him this afternoon.

Order No. 12 is a resolution covering a proposed branch line from near Kelvington at mile 114 on the Canadian Northern railway, in a westerly direction, to a point in township 37, range 13, west of the second meridian,

in the province of Saskatchewan. That is a line with which I am familiar and which ought to be built. I think it should have been built last year. We are quite ready to facilitate my hon. friend in every way in getting that on to the Senate.

The next resolution, Order No. 13, covers a proposed branch line from Prince Albert to near Paddockwood in the province of Saskatchewan. The same remarks apply to that. We were always in favour of that line.

The next one, Order No. 14, covers a proposed line from Eyre in the province of Saskatchewan to Acadia Valley in the province of Alberta. The same remarks apply to that.

The next one, Order No. 15, covers a proposed line from Eston in a southeasterly direction to White Bear in the province of Saskatchewan. The same remarks apply to that. Then resolution, Order No. 17, covers a proposed line from St. Paul, in a southeasterly direction to a point in or near township 57, range 6, west of the fourth meridian in the province of Alberta. We have no objection to that. That is as much as I can give my hon. friend in the meantime, but it will give him a bit of work.

Mr. GRAHAM: These are resolutions; we will get them through and give the bills their first readings.

Resolution read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 48, respecting the construction of a Canadian National railway line from Turtleford to near Hafford in the province of Saskatchewan.

Motion agreed to and bill read the first time.

Mr. GRAHAM moved that resolutions, Orders Nos 12, 13, 14, 15 and 17 be taken up concurrently.

Mr. STEWART (Humboldt): I would ask the minister to leave resolution, Order No. 12, out of those which he has enumerated.

Mr. SPEAKER: It is understood that Order No. 12 is left out.

Motion agreed to.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolutions:

DUNBLANE TO MAWER

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Dunblane on the Canadian Northern railway, in a generally southeasterly direction, to Mawer on the Grand Trunk Pacific railway in the province of Saskatchewan; estimated mileage including existing grading, 42 miles; estimated cost, $2,767,000.

KELVINGTON WESTERLY

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from the end of steel near Kelvington at Mile 114 on the Canadian Northern railway, in a westerly direction, to a point in township 37, range 13, west of the 2nd meridian, in the province of Saskatchewan; mileage already graded, 4 miles; estimated mileage including existing grading, 13 miles; estimated cost, $290,000

PRINCE ALBERT—PADDOCKWOOD

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Prince Albert, in a northeasterly direction, to near Paddockwood, in the province of Saskatchewan; mileage already graded, 17 miles; estimated mileage including existing grading, 23 miles; estimated cost, $406,000.

EYRE—ACADIA VALLEY

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Eyre, in the province of Saskatchewan, in a generally southwesterly direction, to Acadia Valley, in the province of Alberta; mileage already graded, 42 miles; estimated mileage including existing grading, 25 miles; estimated cost, $463,000.

ESTON—WHITE BEAR

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Eston, in a southeasterly direction, to White Bear in the province of Saskatchewan; mileage already graded, 35 miles; estimated mileage including existing grading, 35 miles; estimated cost, $649,000.

RADVILLE—FIFE LAKE

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Radville, in a southerly and then westerly direction, to Fife Lake in the province of Saskatchewan; estimated mileage including existing grading, 115 miles; estimated cost, $3,706,000.

St. PAUL SOUTHEASTERLY

Resolved, that it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from St. Paul, in a southeasterly direction to a point in or near township 57, range 6, west of the 4th meridian in the province of Alberta; estimated mileage including existing grading, 21 miles; estimated cost, $525,000.

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

Sir HENRY DRAYTON: I think my hon. friend ought to read what the directors say about each one and let it go, so that we may have a prima facie case on it.

Mr. GRAHAM: The memorandum in regard to the line from Dunblane to Mawer is as follows:

Dunblane—Mawer, Mile 0-42—	Cost
Grade now ahead of track—nil.	
Proposed in 1924—42 miles grade; 28 miles track..	$ 928,000
Proposed in 1925—14 miles track..	1,839,000
	$2,767,000

It is proposed in 1924 to do all the grading on the 42 miles between Dunblane and Mawer and lay the track to the South Saskatchewan river; also complete in that year, if possible, the substructure for the bridge across the river. In 1925 it is proposed to complete the trackwork and the superstructure of the bridge.

The main purpose of this line is to join the system of existing lines west of Dunblane to the G.T.P. Riverhurst branch at Mawer, in order to bring that area into more direct communication with the Moose Jaw-Regina district. The work will involve a large bridge across the South Saskatchewan river near Elbow, but it is justified by the improved routings to Moose Jaw and Regina from the west. It is estimated to make a saving of $131,000 per year on train miles saved. It is also estimated that this line should produce considerable grain and some other in and outbound freight, consisting of live stock, coal, lumber and merchandise. A certain amount of road haul will be saved to the farmers on their grain. The local business off this line, being mainly grain will all have a long haul and thus tend to feed the main lines of the system. The real justification of this line is the short routing of traffic.

Note.—Includes bridge over South Saskatchewan river, purpose is to link up lines.

Mr. JOHNSTON: I do not rise to oppose the resolution but I just want to bring certain facts to the attention of the minister. There is a survey running from the Elbow at the crossing of the Saskatchewan river to a point at or near Chamberlin on the Canadian National line, and it has always been understood by the people in the district traversed by this survey that when the line crossed the river from Dunblane it would follow the survey I have mentioned. These people are situated in a peculiar country lying between two valleys. Their towns are located on the Canadian Pacific line, between Moose Jaw and Outlook, on the one hand, and on the Canadian National line on the other. Going west to the Canadian Pacific line they have to cross the Qu'Appelle valley, and to the east, going to the Canadian National line, they are obliged to cross the Squaw valley; and the nature of these valleys is such that these people must use four horses in order to market a two-horse load of grain. I have received many letters and telegrams with respect to this matter protesting against this line going from Dunblane crossing the river at Elbow and then going to Mawer if the intention is to reduce the chances of the inhabitants of this district of getting a line which will serve their requirements. I bring this matter to the attention of the minister so that he may place it before the railway board, because these people in their present circumstances are justly entitled to a railway through that district. If a railway went through the district it would provide considerable business for the Canadian National Railways which they are not enjoying to-day; and by reason of the character of that part of the country which I have mentioned it is of sufficient importance that the minister take a note of what I am saying and submit these representations to the board.

Mr. GRAHAM: I shall be glad to do that. I may point out however that when these bills go before the committee some members of the board will be present.

Mr. LEWIS: Does the minister know whether a crossing has been found on the Saskatchewan south of the Elbow suitable for a bridge? I understand that 42 miles of grading has already been built this year, and if the engineers have not found a crossing near the Elbow it seems to me a waste of time going on with the grading until this difficulty has been definitely disposed of. Before coming to Ottawa I understood that certain engineers had been on the river but that no definite information was available at that time. It will be remembered that some years ago the Canadian Pacific Railway endeavoured to find a crossing at the Elbow, but without success. Before I proceed I should like the minister to tell us whether this matter has been definitely settled.

Mr. GRAHAM: One of the objects I have in mind in agreeing to send these bills to the Railway committee is that we may have the engineers present to answer all these questions which are so technical and the details of which I have no possibility of knowing. With the engineers in attendance on the committee hon. members will be able to learn at first hand from them, as well as from the officers of the board, whatever they may wish to know. My object in sending the bills to the committee, which is not really necessary, is to give hon. members an opportunity to ask questions and to obtain desired information.

Mr. LEWIS: If the matter is to go before the Railway committee, and if the engineers will be present to answer questions, then I would rather defer anything I may have to say until that time; and if there is anything further that I wish to point out afterwards I can say it on the floor of the House.

Mr. GRAHAM: I thought that the motion did not apply to the resolution in regard to the line from Kelvington West. But I understand that the hon. member for Humboldt (Mr. Stewart) wishes to discuss it.

Mr. STEWART (Humboldt): The objection I have to this line is that it does not wholly serve the purposes for which our Canadian National branch lines are supposed to be built. The minister himself agrees with me in this statement and I have observed also that the leader of the opposition (Mr. Meighen) takes the same view in statements he has made previously in this regard. In the building of these lines and in their location there should be taken into consideration not only the interests of the railways themselves but the desirability of serving the people who are already in the districts where railways are to be built. In order that I may state my objection clearly to this branch line as projected I shall explain the conditions that exist in that particular district. In 1904 or thereabouts the Canadian Northern built its main line from Winnipeg to Edmonton, cutting through the province of Saskatchewan, and about a year later there was built from that line a branch from Dauphin to the city of Prince Albert which, after swinging northward from Dauphin for about a hundred miles, then paralleled the existing line half way across the province of Saskatchewan. There was already at that time a line from Saskatoon to Prince Albert which later was acquired by the Canadian Northern Railway, thus enclosing a sort of rectangle. In this rectangle there was enclosed an area, roughly speaking, of 150 miles by 60 or 70 in width. That of course, it will be admitted, is too large a territory to be served by two lines, one on the south and the other on the north. Later on the Canadian Northern started to build a line cutting through that territory, but as this area was at that time sparsely settled, and as that company already encircled the territory with their own lines, very slow progress was made, and they did not reach Kelvington until about two years ago. For many years previous to that much of this territory had been settled very thickly. It is a good district. At the time the original railway was built, about 1904 or 1905, it was considerably wooded; but owing to the inroads of fires and the use of the wood by settlers the forest districts have been greatly reduced and much good land has been brought under cultivation; in fact the whole territory may be said to be fairly well settled to-day. The other line which was started by the Canadian Northern, and eventually became the Canadian National line from Swan River to Kelvington—or what was always known as the Thunder Hill extension—did not break this territory into two by any means. It ran practically parallel to the Winnipeg-Edmonton line of the Canadian National Railway, and about twenty miles from it, leaving a territory north of that line to the Dauphin-Prince Albert line averaging from sixty to seventy miles in width. As I have already stated, this territory has become settled and cultivated, and a vast amount of grain is taken out annually. At the same time the country to the northward has become a heavy producing area, and there are millions of bushels of grain to be drawn out of there every year. This line in its original form, as presented last year, was shown as a cut-off from the Swan River-Prince Albert line across to Kelvington. It would have served the territory and would have been very advantageous to the settlers who went in there many years ago anticipating railroad accommodation.

When the Soldier Settlement Board was re-establishing the soldiers who were placed under its care, this very choice land no doubt appealed to its officials as being admirably suited for such settlement, and a very large soldier settlement was located in the area around Kelvington and immediately north—Perigord, Nobleville, Pre Ste. Marie, Bjorkdale and Speddington. The soldiers took up their land with the definite understanding that a branch of the Canadian National Railways, which had been projected before that time, would be built to serve them. They have broken up perhaps more than half of their land. I was in there last fall and was surprised at the way in which they had advanced themselves, being so distant from railway facilities. They have good land and have made themselves homes there. Now this resolution would carry the branch in a westerly direction to connect with a branch of the Canadian Pacific, and would not serve those settlers.

The fact is that last year the Canadian Pacific Railway Company, realizing that they had an advantage when the Canadian National board was not allowed to build, constructed their line from a point south running generally northerly through this district, but without serving the areas that I have mentioned where the soldier settlers are located. The Canadian Pacific had a definite objective to the north, and naturally they wanted to reach it by the shortest route. To do so they built through very rough territory —scrub land and forest area—about fifteen miles away from the soldier settlement. In order to reach the Canadian Pacific line these soldier settlers will have to build fifteen or twenty miles of road.

I maintain, Mr. Chairman, that it is not good policy in this case to build thirteen miles of railway to reach a Canadian Pacific

branch line and then secure running rights over it, as I understand the intention to be. I submit it would be far better to build this branch through the soldier settlement, for in doing so it would not be necessary to closely parallel the Canadian Pacific. The resolution itself shows that the route is thirteen miles away from the Canadian Pacific, and it would not be necessary to build closer to the competing line to reach the northern branch toward which this line was projected last year. By turning north from Kelvington rather than westerly, as the resolution calls for, I am quite certain that a route could be found through the territory in which the soldiers are settled. Not only would it then serve these settlers, but it would also serve the purpose intended last year—at least, one of the arguments offered in support of the line at that time was that it would make the necessary cut-off for the Prince Albert and Melfort country. There is an enormous quantity of grain being produced in that country to-day, and the Dauphin-Prince Albert line is not capable of carrying the freight trains necessary to take that grain out. One of the engineers told me last year that in his estimation it would cost as much to put that road into shape for such traffic as it would to build this cut-off, for heavier steel would would have to be laid and the whole road practically re-constructed, with the exception of the grade.

I know the argument will be advanced that by connecting with the Canadian Pacific branch, as the Canadian Pacific intend eventually to cross the Prince Albert branch, running rights can be secured over it and accommodation afforded in that way. But I submit that this is not good policy, and that where settlement is in dire need of railway service, and where eventually the Canadian National will have to build their line to afford adequate service, it is false economy at this time to build thirteen miles to reach the Canadian Pacific, when that mileage would be one-fifth of the whole construction required to reach their own line to the northward, and would in itself be that much closer to the soldier settlement when built.

The freight from this territory is not merely prospective; it is there to offer at the present time. Two years ago when the Thunder Hill branch of the Canadian National, of which this project is an extension, reached Kelvington, about 750,000 bushels of grain was carried out the first fall after steel was laid down. Kelvington is only twenty-five miles south of these soldier settlements, and there will be immense quantities of grain to be taken out if this line is carried through.

[Mr. C. W. Stewart.]

Let me show the other side of the argument as it affects those people. I am quite safe in saying that on an average they are fifteen miles away from the Canadian Pacific which is projected but not yet built, and they will have to build through the very worst kind of country, intersected by lakes and creeks, and the Barrier river and the Red Deer river will have to be bridged. It will make it almost prohibitive for these new municipalities to undertake such expensive road construction.

I know that the privileges that a private member has in amending a resolution such as this are somewhat limited, and it is much against my will that I would move to amend it at all. The building of thirteen miles into this territory would be of very little help, but I want to point out—and this statement was made by a Canadian National engineer who went over the territory during the last four or five months—that along the line of the route I have intimated it should follow, and the one that it was originally intended to follow, there are 666 farmers established. If this line is extended westwardly in the direction that this resolution proposes it should go, a good number of those 666 farmers will not be there this time next year. They will give up all hope of getting railway facilities if they are to have no railroad any closer to them than the Canadian Pacific branch, which is under construction but not yet completed, and which, as I have pointed out, is almost inaccessible to them. If this 13 miles of line is built in a northerly direction it will at least have the effect of holding these people to their land and their homes; they will go on, I have no doubt, working as they have done for years past in the expectation that they will eventually get relief so far as railway facilities are concerned. With these considerations in mind, therefore, I beg to move, seconded by the member for Mackenzie (Mr. Campbell), that resolution No. 12 be amended by striking out the words "in a westerly direction, to a point in township 37, range 13, west of the 2nd meridian," and substituting therefor the words "in a northerly direction, east of Nut Lake."

Mr. GRAHAM: My hon. friend will understand that that might increase the expenditure, because it changes the route.

Mr. STEWART (Humboldt): Is the minister prepared to say that it would increase the expenditure?

Mr. GRAHAM: No, I am not an engineer. These are matters to discuss in committee with the engineers. If it is decided by the committee, after hearing all the evidence, that

this resolution is not correct, a new one could be introduced later. It would be useless to pass a motion, even if it were in order, saying where this road should go, because parliament will not take action with respect to the building of roads unless the Canadian National board approves of them, unless it announces distinctly that a certain proposed road is for the benefit of the community. I think my hon friend would be well advised not to press his motion, but to appear before the committee, if he is not a member of it, and discuss the matter.

Mr. MOTHERWELL: I admit that my hon. friend (Mr. Stewart, Humboldt) is perhaps more familiar with the circumstances there than anyone else in the committee. However, his proposal, I think, would involve two things: first, the abandonment of the four miles already graded west of Kelvington, and, second, the fact that there would not be any connection, with the Canadian Pacific at all. It will simply be a case of paralleling the Canadian Pacific for a distance of 13 miles. The objective of the board of directors is to connect this line at Kelvington with the Canadian Pacific running north to Tisdale, following the same route that the Canadian National proposed to follow last year.

Mr. STEWART (Humboldt): I do not think it would be necessary to abandon the four miles of grade. Those four miles run in a general direction northerly from Kelvington, not westerly.

Mr. MOTHERWELL: Is it more westerly than northerly?

Mr. STEWART (Humboldt): No, I think it is more northerly. It would not be necessary under the amendment to parallel the Canadian Pacific for 13 miles as the Minister of Agriculture suggests. I have left the matter wide open for investigation by Canadian National engineers, who may find a route, if they can, more than that distance from the Canadian Pacific. They would still be serving these settlements if the line were 20 or 25 miles from the Canadian Pacific. I would be wholly favourable to getting as far from the Canadian Pacific as possible, keeping in view the serving of the districts I have mentioned.

Mr. KNOX: I know the territory to which the hon. member for Humboldt (Mr. Stewart) has been referring and I know the need for service there. I have been through that district and I know that the people are looking forward to some railway connection. This proposal looked to them as the only possible way that they could get the necessary railway facilities, and when it became known that it was intended to link up with the Canadian Pacific, their hopes certainly received a great setback. Not only would that 13 miles be further north, but it would be the beginning of a line that would extend up through the districts of Bjorkdale and Speddington.

It would connect with the line from Winnipeg to Prince Albert, and if it were continued on it would enter a very thickly settled district to the north of that line. I mentioned that district a few days ago when speaking on the extension from Ridgedale. It is a district that seems to have been overlooked, and I am sorry that that should be so. Whether the amendment is allowed to stand or not, I think it is only right that we should put ourselves on record as knowing the conditions there and knowing the location.

Mr. CAMPBELL: I wish to associate myself with what has been said by the hon. member for Humboldt (Mr. Stewart regarding the necessity for railway facilities for the settlers in this district. If anything were necessary to prove the productiveness of that section it is proved by the fact that almost immediately after the defeat of the Branch Lines Bill in the Senate last year the Canadian Pacific built through almost the same territory that the bill had intended to cover. The hon. member for St. Lawrence-St. George (Mr. Marler) complained about the building of railways through sparsely settled districts, and I agree with him. But when settlers are already in a certain district, placed there, as they were in most cases, by agents of the Dominion government, the Soldier Settlement Board, there is a distinct obligation on the part of the government to provide them with the necessary facilities. A few evenings ago we had a discussion in this House regarding a vote of $600,000 for the completion of the tower on this building. It seems to me that an attempt was made on that occasion to put those who were opposing that vote in a false position by raising the question of the memorial chamber which is to be provided in the tower. I submit that the best memorial we could erect to our dead soldiers would be to look after the living. These men who have gone in there, who were located there by the Soldier Settlement Board, are in such a position that they must lose everything. they must give up and leave, if they are not provided with proper transportation facilities.

Regarding the whole question of branch lines and the adverse comments we have heard in this House, it seems to me that

5 p.m.

many hon. members who have spoken on the subject have not been fair to western Canada. A few years ago when a railway company came before parliament and asked for a charter to build a branch line or an extension of a main line it was considered a distinct favour to them to grant them a charter. Now, Sir, we have hon. members complaining that railway construction is being authorized, it looks as if some hon. members were viewing railway construction from a different angle altogether. Some hon. members from eastern Canada, particularly the hon. member for Joliette (Mr. Denis) and one of the Toronto members, tried to make it appear that the construction of these branch lines was a direct bonus to western Canada. Sir, I can hardly permit their statements to go unchallenged and I would therefore take the liberty of quoting a few figures to show how unfounded they are. The hon. member for Joliette, who I regret is not in his seat, made this rather significant statement:

> These lines by the very nature of things must come out of the moneys of the country and must increase the deficits, and the province of Quebec is paying for them.

I submit that is not a very fair statement to make. About $225,000,000 of the public money of this country has been spent on the canal system the use of which is granted free of charge to vessels traversing those waters. Then, many millions of dollars have been spent on our rivers and harbours. This expenditure also is a direct bonus to the people who use these facilities. They are of very little benefit to the people of western Canada. Again, in reference to the railways I maintain that we in the West have been paying an unfair proportion of the railway charges in the past. The hon. members to whom I have referred seem to argue that the greatest amount of the railway deficits has accrued in western Canada. The actual facts demonstrate that in good crop years, when we have a bountiful harvest in western Canada, the earnings of the railways show a remarkable increase and a corresponding decrease in deficits. By referring to the decision of the Board of Railway Commissioners in the western rates case we find an admission on the part of the commissioners that discrimination existed in freight rates against western Canada. They admitted frankly that western Canada was being charged a higher freight rate than eastern Canada and they justified it on the grounds that in eastern Canada there was competition of American roads and the water competition on the lakes. I should like to quote a few figures in substantiation of this statement; they are taken from statements placed before the Railway Commission by the Canadian Pacific Railway Company. Dealing with the five-year period from 1907 to 1911 the Canadian Pacific show an operating ratio—that is the amount spent that was necessary to earn a dollar—in eastern Canada, that is east of Fort William, of 72 cents, on the prairie section of 56 cents, and on the western section, that is British Columbia, 60 cents. The net earnings for this period were: In the western section—that is the prairies and British Columbia, $91,500,000, and in the eastern section, $43,500,000. That is, after deducting all operating expenses, the western roads showed $48,000,000 more profit than the eastern section. For the five-year period from 1912 to 1916 the eastern section shows an operating revenue of $226,500,000, and the western section $356,500,000. The operating ratio for this period in the eastern section was 73.3, for the prairie section 54.5, and for the western section 57 cents. The net earnings for the same period were—in the eastern section $60,000,000, and in the western section $152,500,000. Then we have the period from 1916 to 1920. During that period the operating ratio in the eastern section was 80.95, and in the western section 67.30. For the year 1921 the operating revenue on the eastern section was $85,500,000, and on the western section $101,900,000, The operating ratio for that year in the eastern section was 77.21, and in the western section 70.54. The net earnings on the eastern section amounted to $11,000,000, and on the western section to $30,000,000.

Now, Sir, if we summarize the figures for this whole period we find that in the fifteen years from 1907 to 1921 the net earnings in the western section of the Canadian Pacific Railway were $405,000,000, and in the eastern section $177,000,000. These figures almost prove the contention sometimes made "that the western section has paid for the Canadian Pacific but the country does not own it." I may say that in these quotations the western figures include also the British Columbia section. This is unfair to the prairie provinces because the cost of operating is much higher in the British Columbia section than it is in the prairies.

The charge has frequently been made that grain was carried at a much lower rate than other commodities, and the attempt has even been made to prove that a bonus was granted to the western farmers in the matter of the handling of grain. Now, Sir, if we analyse the earnings for the different months we find that the railways have always made the great-

est profit during the months in which the grain was being handled. For instance, we find that in the year 1920 the operating ratio on the Canadian Pacific Railway during the month of August was 80.23, that is it cost 80.23 to earn a dollar. In the month of October when the heavy movement of grain was on it cost them only 56.46 to earn a dollar; and in the month of November of the same year the operating ratio was only 66.32. In the year 1921 the operating ratio in the month of October was only 55.02 cents. In the month of November, 1921, the net revenue on the eastern section was only $4,403, and the operating ratio 99.23. Now, Sir, in the same month the net revenue on the western section was $5,048,000. In the month of December, 1921, the eastern section showed a net revenue of $566,000, and the western section a net revenue of $3,170,000. The year 1920 showed an operating ratio of 84.70 on the Canadian Pacific Railway, but in 1921 it had dropped to 82.28, and in 1922 it had fallen to 80.55.

Now, Sir, when the Crowsnest pass rate agreement was being considered by the special Railway committee of this House the president of the Canadian Pacific Railway Company made the prediction that if the Crowsnest rates were permitted to go into effect his company would be unable to pay its fixed charges and dividends. And yet after the Canadian Pacific had handled the most of that crop at the beginning of the new year we find the president of the company sending a message to his men in which he said:

> The new year opens under auspices more favourable than any since the conclusion of the war.

This was in strange contrast with the pessimistic prediction in which he indulged when the rate question was being considered by the Railway committee. I should like hon. members to note that in the year 1922, the year in which the Crowsnest rates came into effect, the operating ratio of the Canadian Pacific dropped from 82.28 to 80.55. Analysing the amounts of grain handled in previous years we find that a low operating ratio was coincident with large crops. The Canadian Pacific Railway Company handled 4,349,000 tons of grain in 1920 and in that year their operating ratio was 84.70. In 1921, they handled 4,812,000 tons and the operating ratio was 82.28. In the year 1922 they handled 6,888,000 tons of grain and the operating ratio dropped to 80.55.

The CHAIRMAN: I should like to draw attention to the fact that I think the discussion is too general in its character and that it does not deal with the amendment before the House on resolution No. 12.

Mr. CAMPBELL: I was merely answering criticisms made previously under the same heading. However, if that is the ruling of the chair I will bow to it.

The CHAIRMAN: It is my impression the hon. member is getting away from the resolution.

Mr. CAMPBELL: I will be through in a few minutes if the chairman will permit me to finish my remarks. The Canadian National Railways had an operating deficit of about $36,000,000 in 1920 but it has been improving steadily ever since. If we analyse the figures for the amount of grain handled, it seems to me this improvement is coincident with the increase in the amount of grain handled by the road. In 1920 the figure was 7,653,000 tons. In 1921 it was 10,233,000 and in 1922 it was 11,229,000 tons. While the figures are not available in tons for 1923 the cars handled show an increase of almost 25 per cent over those of 1922.

The CHAIRMAN: It strikes me the amendment is out of order. I will give my reasons for this view if any hon. gentleman desires to speak as to that point.

Mr. EVANS: I wish to say a word in support of the amendment. I know something of the country and the way the railway is going. It has already run pretty well into the survey of the Canadian Pacific Railway going in that direction, and I would say, even for the sake of service and for the sake of revenue as well, it would be reasonable to run the line in a northerly direction from the point where it is graded at present. I would say, in the interests of revenue and service for those who have to settle in that part of the country, which is so much in need of a railway—

The CHAIRMAN: With regard to the amendment, the practice is altogether against moving an amendment to preliminary resolutions preceding money bills. These resolutions have the recommendation of the Crown, and the recommendation of the Crown is signified. They are preliminary to the bill being introduced and referred to the committee, where any hon. member may move amendments which do not increase the impost or amount to be expended. In view of these resolutions and the variation proposed involving the construction of the new branch line which this amendment would really authorize, I think the amendment is out of order. Rule No. 77 reads:

> If any motion be made in the House for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon,

but shall be adjourned till such further day as the House thinks fit to appoint; and then it shall be referred to a committee of the whole House before any resolution or vote of the House do pass thereupon.

Then I refer to May, page 457:

In like manner, after the question has been proposed on an amendment, and it has appeared that the amendment would vary the incidence of taxation, or increase the charge upon the consolidated fund, the Speaker has declined to put the question.

I feel that I should follow that rule. The ground is that an amendment to a resolution is varying the incidence of taxation and may increase the amount of expenditure. The hon. member is not prevented from moving during various stages of the bill, or when the bill goes into committee, any amendments he desires, with those limitations. I feel that this amendment at this time is out of order.

Sir HENRY DRAYTON: In regard to the line from Prince Albert to Paddockwood, I think we should have the explanatory note.

Mr. GRAHAM: The memorandum reads as follows:

Prince Albert N.E., Mile 0-23.	Cost.
Grade now ahead of track—17 miles.	
Proposed in 1924—6 miles grade; 23 miles track..	$406,000

It is proposed in 1924 to add 6 miles to the grading already done and lay the track on this 23 miles, taking the line to near the town of Paddockwood, and there leaving it for a time.

The first work done on this branch was in the year 1920, when a grading contract was let and by the end of the season 1921 about 17 miles of this work was completed, and since that time no other work has been done on this branch.

The line runs through a mixed farming district with considerable timber and small poplar with a small percentage of jack-pine. For the first four or five miles out of Prince Albert the soil is light and not suitable for agricultural development. There is considerable settlement on the line beyond this point and in the neighbourhood of Paddockwood and beyond there is a settlement of returned soldiers.

The justification for building this line is to make good the $169,000 already spent and earning nothing, and the fact that it is estimated that 420,000 bushels of grain per year will be taken off this line, besides 230 cars in and out of live stock, lumber, wood and merchandise.

It is estimated that an average haul of 16 miles would be saved to the farmers by building this line, and computing this saving as being worth three-quarters of a cent per bushel per mile hauled, on the 420,000 bushels of grain referred to it would make an annual saving to the farmers of $50,400 for hauling grain alone.

The railway business obtained from this line will be all of a long haul character and therefore furnish considerable business to other lines of the system.

Mr. KNOX: I wish to say a word with regard to this line. It has been looked forward to for a great many years by the people who went in there and it is on behalf of the returned men that I wish to speak because they went in there on the distinct understanding that this line was as good as built. An arrangement was made whereby the lands that were open for homesteading at that time could not be taken up by civilians. They were reserved for returned soldiers, and they looked upon it as just the same as if the railway were in existence. The returned men went in very largely on the understanding that they would get immediate railway service. That has been withheld, and it has been a very sad disappointment to these returned men, and very discouraging to them. In fact, Sir, I am sorry to say some saw fit to pull out because they did not get the railway last year. However, I think they see a ray of hope at the present time and their courage is returning accordingly. I wish to say that there is every justification for the building of this line, even without this argument, which I think is a very strong one. Last year when it was understood before they got the set back that the branch lines were to be built, arrangements were made for the building of elevators on this line, and I feel sure that it will eventually be a heavy producing country.

Sir HENRY DRAYTON: The hon. gentleman missed a great opportunity last year of having it built. He wanted to consider it, not on its merits, but with a whole lot of junk, and he got the usual result. We have always been in favour of it and are in favour of it now.

Mr. MOTHERWELL: If the hon. member wants it built this year there should be no difficulty.

Sir HENRY DRAYTON: That is what I say.

Mr. GRAHAM: In regard to the line from Eyre to Acadia Valley, the memorandum I have reads as follows:

	Cost
Acadia Valley, Mile 0—42	
Grade now ahead of track—42 miles	
Proposed in 1926—25 miles track..	$463,000

It is proposed in 1926 to lay 25 miles of track on the existing grade, at a cost of $463,000, thus completing the line to Acadia Valley, 25 miles out of Eyre, and there leaving the track for some years. The grading on this line was started in 1919, and was not completed until 1921.

The line starts in the province of Saskatchewan off the Alsask southeast branch at Eyre, and after running approximately 12 miles westerly, passes into the province of Alberta.

This branch runs through a good grain growing district a greater part of its length, and most of the land is taken up and was settled. This area, however, is subject to dry seasons and the effect of hot winds in the summer, but in seasons of sufficient precipitation during the growing season gives big yields per acre.

The justification for this line is that $434,000 ($305,000 up to Mile 25.0) has already been expended on the grading, which is earning nothing, and that it is estimated that 600,000 bushels of grain on the average each year will be shipped off this line, besides 140 cars of freight in and out, consisting of live stock, coal, lumber and merchandise. About eight miles on the average would be saved farmers in road haul, and if computed to be worth three-quarters of a cent per bushel, per mile hauled, on the 600,000 bushels, would mean an annual saving to the farmers or $36,000. All the business off this line would be of a long-haul character, thus furnishing other lines with considerable business.

Mr. CARMICHAEL: This line is in my constituency as well as the line represented in the next resolution. I understand the desire of the minister is to get these resolutions in bill form or, at least, to get them before the Railway committee as soon as possible, where they may be discussed in every detail. I am not on the Railway committee, and I have an idea that the representative of the district where the railway is to be built has information that it is important to place before that committee. I have received petitions from ratepayers, municipal councils and grain growers' associations in connection with these two proposed lines.

The CHAIRMAN: On application to the committee for leave to be heard, the hon. member or any other member representing a constituency or area through which it is proposed that these lines shall run, may be heard. The committee will be open for any person or member to appear before it in order to make his representations.

Mr. CARMICHAEL: If we could have the assurance from the minister that a representative interested in this proposed line will be advised when the committee meets and that evidence will be taken from him, I would be prepared to remain silent at this time and give my evidence before the committee. I would not, however, wish these resolutions to slip through the Railway committee before I had an opportunity of giving the committee the facts which I have.

Mr. GRAHAM: Notices of meetings of the Railway committee and other committees are always in the Votes and Proceedings, so that every member has notice every day as to the committees. Bourinot, of course, makes it very clear that every member of the House has a right to appear before any of the committees, and I can assure my hon. friend that the chairman of the committee, the hon. member for Pontiac (Mr. Cahill), will be glad to give him an opportunity to be heard when this bill is before the committee.

Mr. BOYS: I cannot quite agree with what the minister says, although I wish it were so. I had an experience in a committee where I wanted to be heard. The chairman of that committee took the matter up and he, I think, correctly decided that a member of the House had not a right to appear before that committee without making application and receiving permission of the committee to be heard. At the same time, there is no doubt that any member who wants to be heard can make a request, and he will be heard, but he does not have that as a matter of right.

Mr. GRAHAM: I have been on the Railway committee for many years and any person who wanted to be heard, so far as I can remember, was always heard. The Assistant Clerk has pointed out at page 27 of Beauchesne, this rule:

> Members of the Commons may be present during the proceedings of their committees, and the committee has no power of itself to exclude any member at any stage of its proceedings, but may obtain special power from the House for that purpose.

I suppose, strictly speaking, a member who is not a member of the committee may be ruled out as not having a right to address it without permission, but that permission is always given.

Mr. BOYS: I do not say that he could not be present in the committee. The Minister of Agriculture (Mr. Motherwell) will recall the incident to which I have reference. In the agricultural committee two years ago when this point came up, the chairman looked into the matter and I had to admit, when I looked into it, that he was perfectly right. Anybody may be present in the room, but he cannot address the committee without permission, and of course, he cannot vote.

Mr. GRAHAM. I think it has been generally the practice that any member is allowed to make his representations, and I think I can assure my hon. friend that that will be the case.

The memorandum I have on the proposed line from Eston to White Bear is as follows:

Eston S.E., Mile 0—35. Cost
Grade now ahead of track—36 miles
Proposed in 1926—35 miles track.. .. .. ..$649,000

It is proposed in 1926 to lay the track on the 35 miles of grading which was started in 1919 and completed in 1921, at an estimated cost of $649,000, and there to leave the line for at least a year or two.

This branch runs through a good agricultural district with a considerable percentage of the land cultivated. Like other areas in this district, it is subject to short crops in dry seasons, but in seasons of sufficient precipitation will produce a heavy yield of wheat per acre.

The justification for completing this line is that about $274,500, or more than one-quarter of the money

necessary to complete it, has already been expended and is earning nothing; also that it is estimated, when completed, this line should ship on the average 1,000,000 bushels of grain per year, besides 175 cars of in and out-bound freight of live stock, coal, lumber and merchandise. With this line completed the farmers would save on the average 10 miles road haul, and computing this as worth to them three-quarters of a cent per bushel, per mile hauled, on the 1,000,000 bushels estimated to come off this branch, there would be saved to the farmers each year $75,000 on grain alone. The freight business off this line being all of a long-haul character, will furnish other lines of the system with considerable business.

The memorandum which I have on the proposed line from St. Paul in the province of Alberta southeasterly is as follows:

St. Paul E., Mile 0—21.	Cost
Proposed in 1924—nil	
Proposed in 1925—21 miles grade..	$180,000
Proposed in 1926—21 miles track; 21 miles ballast..	345,000
	$525,000

Nothing is proposed to be done in the year 1924, but in 1925, it would be the intention to grade 21 miles at an estimated cost of $180,000 and in 1926 to finish this 21 miles with track and ballast at an estimated cost of $345,000.

There is considerable settlement development east of the present end of the line, now at St. Paul, and for the distance proposed there is a good country susceptible of considerable grain growing and mixed farming.

The justification for construction of this line lies in the fact that it is estimated that when the 21 miles as proposed is built, it would produce annually 630,000 bushels of grain besides giving in and outbound 185 cars of freight, consisting of live stock, coal, lumber and merchandise, all of which being of particularly long-haul character, would contribute considerably to other lines of the system.

It is figured that on an average 14 miles road haul would be saved to the farmers by this line, and applied to the 630,000 bushels of grain, expected and taken at three-quarters of a cent per bushel, per mile hauled, would mean an annual saving to the farmers of $66,150 for grain hauled alone.

Sir HENRY DRAYTON: I do not know that the resolution covering the proposed line from Radville to Fife Lake is in quite the same position as the others. This is an old, old line, I think, that has been under discussion for a long time. I think the real discussion is amongst the settlers themselves in that district. There were three parties and it is very difficult to find out what is the right location for it. Perhaps it could be carried down to Bengough without very much difficulty, and you would have to go there anyway. It is a very expensive country, however, when you get past Bengough, and I do not think that you would be pleasing everybody.

Mr. GRAHAM: Perhaps we had better let the matter stand.

Sir HENRY DRAYTON: I think the resolution is one that should be left over.

[Mr. Graham.]

Mr. GRAHAM: Perhaps hon. members may want to discuss it.

Mr. MORRISON: I think it is important that the resolution should be discussed. While there has been some question as to the eastern terminus of the branch, it is of considerable importance in a way in that it affects the Canadian National Railways in a respect in which many of the other branch lines do not. It is estimated that this branch will cost $3,700,000 for 115 miles. To-day there are millions of bushels of grain being hauled across the international boundary line and marketed at United States points, and that entire business is lost to Canada. We hear much talk to-day about patronising home industries, but here is a place where the business of thousands of our people, who to all intents and purposes are American citizens, is lost to Canada. They have produced in that country between three million and four million bushels of grain this year and the bulk of it is going via an American route. It is not as though it were taking trade away from some other Canadian road if we build this branch such as the Canadian Pacific Railway. It is taking it from an American road, and I say that it is sound national economy to build this line immediately. That country has been settled for about fifteen years, many of the inhabitants having gone in there on the strength of the promise, implied at least, that a road would be built soon. They are a very fine class of settlers and their great want to-day is a railway. At the present time there are many farmers who are not working their land over 25 per cent capacity and they cannot afford to develop a greater area than they have under cultivation, while they have to haul grain distances ranging between 25 and 45 miles. The people are simply stalling, waiting for a railroad; indeed, many of them are not working the land at all, but are just letting it lie idle. They are so far from any railway that, of course, there is not much encumbrance against them, for the reason that they could not borrow money. But they are an industrious class of people and if they were assured that a line would be built soon they would immediately get busy and would produce wealth whereby the country would be richer. The Dominion of Canada would be enriched, not by the net amount, but by the gross wealth produced by these people. While I do not want to differ from the engineers in regard to the route, no doubt we should be largely guided by them as to where it should go. The latest proposal is that it

should run 20 miles south of Radville and then westerly about 10 to 15 miles north of the boundary. I am anxious to see this work undertaken at the earliest possible moment in the interests not only of the settlers themselves but of the country at large.

Mr. MOTHERWELL: We might as well deal with this matter now if the minister (Mr. Graham) is agreeable. I have had some correspondence and telegrams on this subject and I had an invitation to go and examine the country last fall. I did so and I think that my hon. friend (Mr. Morrison) has described the situation pretty much as it is. I have here a telegram with respect to the route from the Hon. C. M. Hamilton, Minister of Agriculture for Saskatchewan, and an ex-director of the Canadian National Railways. Mr. Hamilton is familiar with the whole question and he knows the territory concerned quite well. His telegram, addressed to myself, reads:

> Construction during present year at least one hundred and twenty-five miles Radville-Fife lake proposed branch Canadian National Railways urgent. Absolutely impossible haul wheat and other farm produce thirty-five to fifty miles. Settlers almost discouraged; numbers have left territory, others holding on hoping for relief. Proposed extension from Bengough-Fife lake serves only small portion of territory and leaves district so divided it cannot possibly have adequate railway accommodation for many years.

Unless one is fairly familiar with the territory he will not appreciate the significance of the statement I have just quoted. The road from Bengough to Fife Lake does not serve the entire territory; whereas the proposed line serves about twice the area, and fully 80 per cent of the particular district that would have been served by the other line. The proposed route is very much preferable because it serves the entire country parallel to the international boundary for a distance of 115 miles and not only takes care of the freight and the tonnage generally of the settlers along that line but prevents their transference across the boundary into the United States. This emigration has been going on in that part of the country for some eight or ten years and conditions have become so bad in some districts that the settlers have largely left. The territory is a splendid one, and while it is true that a small portion of it for about 15 miles east and west is rough and undulating, and therefore adapted mainly to grazing, the country on the whole, particularly in the west, is one of the finest plains that one could wish to look upon. If this line is gone on with it does not deprive the people west of Bengough of the hope that some day the Bengough line will be extended to Willow Bunch. That may not be done to-morrow, but there is no reason why at some subsequent time, when railway bills are being again introduced into the House, steps may not be taken to have that line built. In the meantime, I would point out that the Radville line passes through a territory in which many of the settlers have been tried as by fire and are still carrying on despite the discouragement which they have experienced. Many of them are growing from five thousand to ten thousand bushels of wheat in addition to flax and coarse grains, besides raising cattle and other produce. This line is urgently required and my only regret is that some of it will not be constructed this year. The Premier of Saskatchewan is anxious to see the road built, as is everyone else who is familiar with the circumstances; and as all persons will be reasonably well supplied it is important that the work should be proceeded with. If this is done, then later on, when settlement and tonnage both increase, the road from Bengough to Willow Bunch might be undertaken. Meanwhile the people have got together and discussed the whole situation. Provincial members and local councils have formed what is known as a railway committee and they have threshed the question out from every possible angle. I have a communication from Mr. George Spence, one of the representatives of the south country, in which he gives me a summary of the conclusions arrived at, which is in the direction I have indicated, the important point being that the line from Radville to Fife Lake should be constructed as the best solution for the trouble that has existed for so many years. I was not through that country in the early years but I was there last year and I am familiar with the entire district. I was familiar with the work that was undertaken under the provincial guarantees and as I was in the Saskatchewan government at that time I know of the deadlock that occurred. I am glad to inform the House that that deadlock seems now to be capable of solution by means of this particular line, and as nearly as is humanly possible this line will meet the most urgent requirements of the people, whereas the other one would not. I have no hesitation, from my own personal knowledge of the situation and from the representations that I have received from public men and municipal councils, in saying that the line in question will serve a very large proportion of territory which has been in dire need of railway accommodation for many years, so much so, that sick at heart, many of them have already left. I

have correspondence from many who went to the United States telling me that they are ready to come back just as soon as this line is constructed.

Mr. HOPKINS: Mr. Chairman, on account of certain natural barriers no one road would be capable of serving the whole area between the present Canadian Pacific line and the international boundary, a distance of about forty miles. Therefore for some years there has been a dispute amongst the settlers as to the location of a branch line. An understanding has been reached between the Canadian National authorities and the Canadian Pacific under which this area is treated as Canadian National territory. Last year a line was proposed from Bengough to Fife Lake, but the bill was killed in the Senate, as we know. I was never in that country until last fall. Leaving the railway I drove forty miles to the international border. In the course of the afternoon I met over two hundred teams loaded with grain, on their way to the railroad. I spoke to some of the drivers and found they had come all the way up to fifty miles, and that it took them from two to four days to make the round trip. They told me the country was splendid and that their crops ran from twenty-five to forty bushels to the acre. As I got nearer to the boundary line I found the people were too far away from our railways to ship their grain and had to take it over to the American railway lines. I understand that a million and a half bushels of Canadian wheat from this section goes over the Amercian railways in the average year, making a profit for this line and adding to the trade and commerce of the neighbouring republic.

I was surprised at the state of development. I expected to see all the characteristics of a pioneer country, but I found every evidence of well-established settlement. We judge a country by the condition of the farms and buildings. I saw well cultivated farms, well constructed buildings and, above all, fine schools. I went into three or four of the schools along the border and spoke to the teachers and pupils, and I found they were up to date in their educational methods. I talked to boys and girls ranging from ten to fourteen years of age, and they told me they had never seen a store nor a town of any kind, the parents not being able to give them a trip of eighty or ninety miles to the nearest urban centre. I sent a message by the children to the parents that I only hoped the children would live long enough to get some of the railroad advantages which their fathers and mothers had been deprived of all these years.

[Mr. Motherwell.]

Now, this railway is in a different position from the other branches which we have been discussing. Hon. members have said, "We must scrutinize every dollar of expenditure at this particular time in the history of Canada." And rightly so. It is the duty of parliament to scrutinize every expenditure. But I am going to give the committee an agreeable surprise—this money does not have to be expended by the federal parliament; it has been already provided. That is one of the particular reasons why I got on my feet; the other is to give you the best authority for the building of this branch that we have in the province of Saskatchewan. I will show hon. members where the money is coming from. I am about to quote from the Regina Standard of a recent date, and I may say that the bill referred to has since become law. This is the quotation:

> Authority for the provincial treasury to release certain money for the construction of Canadian National branch lines is sought in an Act which was given second reading in the legislature last night.
>
> Premier Dunning intimated to the house that subject to agreement being reached with the Canadian National authorities the government had a preference for the money being used towards the construction of a portion at least of the Bengough extension in the south—

That is the territory we are speaking of.

> —and the Turtleford-Hafford branch in the north of the province.
>
> "We regard those two as being the most needed in the province at present," he said, "but it may not be possible to work out an agreement with the railway company and my remarks on this matter must not be taken as definite promise that these lines will be built."
>
> Premier Dunning explained that years ago when the province guaranteed the bonds of the railway companies the system in operation was that the railway companies had authority to sell bonds guaranteed by the province, but they had no authority to use the proceeds which were deposited in a bank to the credit of the provincial treasurer. Then as the railways were constructed the money was to be released by the provincial treasurer at rates per mile set out in the original Act.
>
> The Grand Trunk Pacific and the Canadian Northern ceased operating as separate entities some time ago and during his experience as provincial treasurer for the last eight years it had been impossible to release the money. A sum of $1,202,825.24 had been standing to the credit of the treasury in connection with this fund for a number of years. Repeated efforts had been made by the companies to obtain release of the money but the treasury had been unable to satisfy itself that the railways had been built. The province had not lost anything as the bank interest on the money had been paid to the railway company and it had paid the interest on the bonds.

There is no question that a large part of the money for the building of this road can be secured from the provincial government.

I have just one further word to say on behalf of the people in that south country. I have no axe to grind because there is not one

chance in a thousand that I will ever represent those people again—the Redistribution Bill will look after that. They are a loyal energetic and resourceful people; if they were not they would not have endured so many disadvantages and hardships all these years. But "hope deferred maketh the heart sick," and if the people of Canada want to retain in their midst some of the best settlers they have to-day, something must be done very quickly to secure them the railroad accommodation which they are entitled to, for their patience has almost ceased to be a virtue.

Sir HENRY DRAYTON: Mr. Chairman, in view of the moving statement by my hon. friend from Moose Jaw (Mr. Hopkins) perhaps the resolution can go through, subject to this understanding, that some facts be furnished about the branch line. There is no question that some railways ought to be built in this section, and I am not opposing proper railway construction there. In fact I have already agreed to a great deal. I hope the next time we agree to these things we shall not be told that we are dealing with a Conservative constituency and that that is the reason for the agreement. Of course it does not make any difference anyway; we know the source from which it comes and we appreciate it accordingly. But we should have a business statement in connection with this railway. The route should be very carefully chosen. It is a long line, and from the information we have it is apparent that it cannot be built at the price set down, $3,000,000 odd. A very careful survey of costs should therefore be made. As the whole matter will subsquently be gone into and these phases of it can be considered again, I have no objection to the resolutions being reported.

Resolutions reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 49, respecting the construction of a Canadian National Railway line between Dunblane and Mawer in the province of Saskatchewan.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals and Telegraph Lines.

Mr. Graham moved for leave to introduce Bill No. 50, respecting the construction of a Canadian National Railway line from near Kelvington, in the province of Saskatchewan, westerly 13 miles.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals and Telegraph Lines.

Mr. Graham moved for leave to introduce Bill No. 51, respecting the construction of a Canadian National Railway line from Prince Albert to near Paddockwood in the province of Saskatchewan.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals and Telegraph Lines.

Mr. Graham moved for leave to introduce Bill No. 52, respecting the construction of a Canadian National Railway line between Eyre, in the province of Saskatchewan, and Acadia Valley, in the province of Alberta.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals and Telegraph Lines.

Mr. Graham moved for leave to introduce Bill No. 53, respecting the construction of a Canadian National Railway line between Eston and White Bear in the province of Saskatchewan.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals and Telegraph Lines.

Mr. Graham moved for leave to introduce Bill No. 54, respecting the construction of a Canadian National Railway line between Radville and Fife Lake in the province of Saskatchewan.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals and Telegraph Lines.

Mr. Graham moved for leave to introduce Bill No. 55, respecting the construction of a Canadian National Railway line from St. Paul, in the province of Alberta, southeasterly 21 miles.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals and Telegraph Lines.

SECOND READINGS AND REFERENCE TO RAILWAY COMMITTEE

On the motion of Mr. Graham the following bills for the construction of branch line railways were read a second time and referred to the select standing committee on Railways and Canals and Telegraph Lines.

Bill No. 26, respecting the construction of a Canadian National Railway line between Kingsclear and the St. Croix River, in the province of New Brunswick.

Bill No. 30, respecting the construction of a Canadian National Railway line between

Rousseau and Laurent, in the province of Quebec.

Bill No. 31, respecting the construction of a Canadian National Railway line between Grande Fresniere and Rinfret Junction, in the province of Quebec.

Bill No. 32, respecting the construction of a Canadian National Railway line between Sunnybrae and Guysborough, in the province of Nova Scotia.

Bill No. 33, respecting the construction of Canadian National Railway lines, Kamloops-Kelowna Division, province of British Columbia.

Bill No. 34, respecting the construction of a Canadian National Railway line to Cowichan Bay, on Vancouver Island.

Bill No. 35, respecting the construction of a Canadian National Railway line to Mile 100 on Vancouver Island.

Bill No. 40, respecting the construction of a Canadian National Railway line to Mile 41 of the Melfort Branch near Nipawin in the province of Saskatchewan.

Bill No. 41, respecting the construction of a Canadian National Railway line from Peebles southerly in the province of Saskatchewan.

Bill No. 42, respecting the construction of a Canadian National Railway line extending the Gravelbourg Branch to Neidpath, in the province of Saskatchewan.

Bill No. 43, respecting the construction of a Canadian National Railway line extending the Ste. Rose du Lac Branch to Rorketon in the province of Manitoba.

Bill No. 44, respecting the construction of a Canadian National Railway line between Hanna and Warden, in the province of Alberta.

Bill No. 45, respecting the construction of a Canadian National Railway line from Loverna westerly in the province of Alberta.

Bill No. 46, respecting the construction of a Canadian National Railway line from Lloydminster, in the province of Saskatchewan, northwesterly 45 miles.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

SUPPLY

DEPARTMENT OF THE INTERIOR

The House in Committee of Supply, Mr. Gordon in the chair.

Dominion Lands and Parks—Amount required to pay the fees of the Board of Examiners for D.L.S. of the secretary and of the sub-examiners and for travelling expenses, stationery, printing, rent of rooms and furniture, etc. (the fees of Messrs. E. Deville, Harry B. Parry and W. M. Tobey, members of the board, and J. A. Côté, secretary, are to be paid out of this sum), $2,000.

Mr. STEVENS: Will the minister give us a little information regarding this item?

Hon. CHARLES A. STEWART (Minister of the Interior): The Board of Examiners for Dominion land surveyors is organised under the provision of section 9 of the Dominion Land Surveys Act. It consists of the Surveyor General and of two Dominion topographical surveyors. The present members are Dr. Deville, Harry B. Parry, and W. M. Tobey. Dr. Klotz was a member of the board, but he is deceased and there has been an appointment since.

The regular annual meeting of the board is in February. Another meeting is usually held in May for the convenience of students in engineering who have just graduated at the university. There are four different examinations, viz:— the examination for admission as an articled pupil, the full and the limited examination for admission as land surveyor and the examination for certificate as Dominion topographical surveyor. The questions for each examination are prepared by the members of the board and the answers of the candidates are read and marked by these three members. The questions being mostly mathematical and scientific, all the possible solutions of each problem have to be worked out by the examiners. The preparation and reading of the papers involve a large amount of work. The surveyor general, Dr. Klotz and W. M. Tobey had no time to spare during office hours, so that most of the work for the board had to be done at night.

The fee for the members of the board and of their substitutes is fixed by the Dominion Land Surveys Act at $7.50 per day. The fee of the secretary and of the sub-examiners is fixed at $5 per day.

The amount asked is to cover the fees of the members of the board or their substitutes, the fees of the sub-examiners and secretary, the printing of the questions, blank forms, etc., stationery, rent of rooms and furniture for holding examinations, and the travelling expenses of the examiners who are not permanent officials of the inside service.

Item agreed to.

Protection of timber, tree culture, inspection and management of forest reserves, surveys of forest resources and research in forestry and forest products, etc., $1,150,000:

Mr. STEVENS: Under this item, I presume the very important question of reforestation and conservation of our forests generally

would properly come. I personally do not purpose discussing the question at length, but I should like the minister to give to the committee some idea of what has been done within the knowledge of and actually by the officials of this department towards proper conservation. I feel a little alarmed at the very rapid depletion of our forests. In many districts these forests are being cut and manufactured into timber, without any effort whatever being made at reforestation; nor, so far as I am able to see, is very much being done in the way of intelligent conservation of the forests that we have. Losses by fire and so on are really appalling. It is true that our forest wealth is extensive; that we are inclined to look on the supply as illimitable; but, as a matter of fact, I think most students of the subject agree that exhaustion of our forest wealth is really well within sight. Whether the government is doing anything at all in the matter would be of interest to the committee, and if the minister could give us some information along that line, it would be of value.

Mr. STEWART (Argenteuil): I should be glad to devote a few minutes to this question of forestry, and the time of the committee might be well spent in discussing it. It is one of the most important questions with which we have to deal in the Department of the Interior. Perhaps I can bring the matter home to members of the committee much better by a statement in round figures of the quantity of timber that is manufactured in Canada annually. All the cordwood, the piles, the ties, and all other timber, including pulpwood, manufactured and unmanufactured, amount annually in Canada to almost twelve billion feet. And the next startling statement I have to make is this, that we destroy about one billion feet more annually than we manufacture. I make that statement in order to bring as forcibly as possible to the attention of the committee the terrific waste which is going on in connection with the forest wealth of Canada.

Mr. MACLEAN (York): Who owns all this timber?

Mr. STEWART (Argenteuil): Some of it is privately owned and the rest is owned by the Dominion and the provinces.

Mr. MACLEAN (York): Do the private owners contribute anything to protection?

Mr. STEWART (Argenteuil): Yes, the leaseholders contribute to forest protection, a part of the tax imposed upon their leases being used for this purpose. I simply want to state in round figures the loss that we suffer annually in our forests so that, as I hope, the committee as well as the people of Canada will realize the seriousness of this menace to one of the most important resources which the Canadian people own today.

Mr. ARTHURS: How much of this timber is under the control of the Dominion and how much belongs to each of the various provinces?

Mr. STEWART (Argenteuil): I am afraid I cannot give that information. This matter has some reference to the subject of conservation and I shall have something to say about it later on.

Mr. LUCAS: The minister has referred to certain forest losses. Are these losses all due to fires?

Mr. STEWART (Argenteuil): They are attributable to various causes, but there is a tremendous fire waste annually. Indeed, I think I am within the mark when I say that in the province of Quebec, on partly burnt-over areas and in timber that had not been previously burnt over, we had in one year a loss of nearly two million acres by fire ravages alone. Then the ravages of the budworm in the spruce timber of the Maritime provinces account for a very considerable destruction. I do not think there would be time to discuss these questions in detail tonight, but I would impress upon the committee the fact that the forest wealth of Canada, which is of such vast importance, is being destroyed annually to such an alarming extent, that I felt it necessary for the government to get the figures before the people in a startling way in order that they might fully appreciate just what is taking place.

We are seeking to interest the public in this matter because usually the devastation of our forests by fire is due to carelessness. This of course is not always true, for in the province of British Columbia at a recent convention it was brought to our attention that a great number of fires in the central area had been caused by lightning. However, from one cause or another, ravages by fire account for about one half of the total loss. So that for the moment we are devoting our attention to the suppression of fires as far as we possibly can. The six provinces in Canada outside the prairie provinces own this great natural resource and of course are responsible for its maintenance and care. The federal government own and control the forest wealth of the three prairie provinces and what is known as the railway belt in British Columbia, as

well as the Dominion land block in the northern portion of that province; and over that particular area we exercise a special control. We have not been so unfortunate with respect to fire as they have been in some of the provinces in which the various governments control their own timber; but in any case we must take more drastic steps to prevent destruction by fire from any cause. With that end in view I have sought by way of convention to bring together the forestry officials of the various provinces and those of the federal government. We have had some very interesting discussions at our recent convention. Just prior to the opening of parliament we had a gathering at which all the provinces were represented and we discussed these subjects for five or six days, trying to co-ordinate our views and to learn from one another what efforts we have been putting forth for the suppression of fire, for the purpose of adopting more stringent and more effective measures for fire control. At the very outset it would take an army of men adequately to control the fire situation. True, we have fire ranging forces in all the provinces. They are employed by the federal government for a period of six months in the prairies, and they patrol the forests for the purpose of keeping down and preventing fires. We have been fairly successful in that respect and I believe that year by year we are making more headway. We propose to utilize in this service the flying corps of the Department of National Defence. An aeroplane will cover very much more territory than a man in a canoe, and the vision is much more extended, as one may readily understand, than would be the case with a tower or the ordinary patrol through the waterways in the forests. We hope in this way to accomplish much better results than have been obtained in the past. If we can detect a fire in the incipient stages we can put it out with the help of one or two men, whereas, if it has been burning for a week, it requires perhaps two or three hundred. We have adopted more radical measures in all the provinces, and this has been the result of our convention. We have discussed various methods and considered the efficiency of power pumps particularly, and each province will now display renewed interest in fire suppression work. I dwell upon this point because I think it is the most important and the one in regard to which we should make the greatest strides towards securing a proper solution. I was pleased to note the other day that the province of Ontario had purchased ten or twelve aeroplanes which they intend to use in the northern part of the province this year.

[Mr. C. A. Stewart.]

And the province of Quebec, I think, will do the same. Our flying will of course be confined largely to the three prairie provinces and to some extent in British Columbia. In order that we might place the matter before the public with a greater degree of force, if that is possible, this convention suggested the adoption of what will be known as fire prevention week beginning with the 27th day of this month. All the provinces are joining and we are spending $5,000 in propaganda, writing to all the banks and all the newspapers in an endeavour to interest them in the matter, so that we may get the seriousness of the whole thing impressed upon the people in a more vivid way than ever before, and emphasize the necessity for everyone to exercise due care throughout the season in which the fire hazard prevails. I hope that it will cut the destruction by fire in half within at least two years, and that in three or four years the loss will be reduced to the absolute minimum. I do not believe we shall ever be able to remove the fire hazard entirely, for even in our cities and towns there is a very heavy annual loss by fire notwithstanding the very efficient fire-fighting appliances in use. The amazing feature is that the appalling loss both in our forests and our urban centres is very largely the result of carelessness. If we could only educate the people to be careful in this regard we would accomplish a very great deal in preventing fire losses everywhere. We are dependent to a great extent on our educational propaganda. We are asking for an increased amount for inspectional work in the western provinces. There, of course, the forests are strictly the property of the federal government. But I do not lay very much stress on this circumstance because I realize that our forest wealth is of vital importance to the whole Dominion. The number of men employed in labouring work alone in connection with the manufacture of forest products is very large, and the capital invested runs into many millions of dollars. Our aim should be to replenish annually a little more than we cut off our timber lands. That is what I am asking the Forestry branch of the Department of the Interior to attempt, and I think every forestry man in the employ of the provinces is anxious to accomplish the same end.

Mr. MACLEAN: (York): Do you mean depletion both from cutting and from destruction by fire?

Mr. STEWART (Argenteuil): I mean we should aim to reproduce, if you will, the same

amount of timber as is manufactured each year, so that we may have this perpetual source of wealth for the people.

Mr. LEWIS: To what extent is reforestation taking place? The statement has been published that the amount of timber reproduced in this way would last our mills just six days.

Mr. STEWART (Argenteuil): Yes, but I do not pin my faith entirely on tree-planting. What struck our visitors from all the Dominions and Great Britain when they attended our forestry convention was that owing to climatic and soil conditions in Canada reproduction goes on without the necessity of our incurring the expense of tree-planting to any considerable extent. Indeed, I think I am safe in asserting that if we increased our annual cut to more than fifteen billion feet, by the prevention of fire losses there would be reproduced by nature an equivalent amount each year. But I think our forest wealth is so important that we should not stop at eliminating the fire hazard,—every destructive influence should receive our very earnest attention.

Mr. LEWIS: Is there any danger from fire to young trees if all slash and rubbish are removed?

Mr. STEWART (Argenteuil): Of course, one could speak all evening about forestry methods. Therein lies part of our difficulty to-day and the reason why we must have a uniform system of logging regulations. Each of the provinces is in competition in the timber market, and if you place restrictions upon logging in one province that do not apply in the other provinces, there is of course a benefit to the loggers who are free from restrictions. So if we are to have any success in our attempts to reduce the fire hazard to a minimum there must be co-ordination in this direction and the provinces must co-operate with the Dominion.

Mr. MEIGHEN: Has the minister come to any definite arrangements as to uniform slashing and other regulations?

Mr. STEWART (Argenteuil): We have made considerable headway in that direction. There is a difficulty in the province of British Columbia, where licenses have been granted under certain terms. But there is the greatest amount of interest in evidence by the forestry officials themselves to reach a uniform basis with respect to uniform regulations to reduce the fire hazard due from logging operations.

Mr. MEIGHEN: Outside of interest, what actually has been agreed upon?

Mr. STEWART (Argenteuil): My hon. friend well knows that the slash disposal regulations of the Department of the Interior are much more rigorous than those in vogue in the provinces. The provincial authorities have expressed their willingness to adopt our regulations; the only exception is British Columbia. There the Forestry department have doubts as to whether or not slash disposal could be taken care of on account of the very large amount that accumulates as the result of logging operations in the province. They say it would be very expensive to deal with it.

Mr. MEIGHEN: Have any of the provinces actually adopted those regulations? If so, are the regulations applicable to leaseholders now in operation and contracts now under way, or merely to future leaseholders and future contracts?

Mr. STEWART (Argenteuil): That practical difficulty exists with respect to present leaseholders. But the regulations are to be embodied, I think almost without exception, in all new leases.

Mr. MEIGHEN: That will not get us very far.

Mr. STEWART (Argenteuil): My hon. friend will understand that we cannot drive; we can only encourage and coax.

Mr. MEIGHEN: We cannot drive in the provincial domain; but undoubtedly the provinces would have power to make the new regulations apply to existing leases, and unless the minister succeeds in inducing them to do so he will not get very far.

Mr. STEWART (Argenteuil): These changes cannot be made in a day. I confess it is slow work getting the public to understand the value of our forest resources and how rapidly we are depleting them. But a very strong interest is in evidence among all forestry officials who have had to do with the conservation of our forest wealth. If we can arouse our provinces to action, I think they would make proper logging methods retroactive in so far as leaseholders are concerned. At least, that is my hope.

Mr. WARNER: With regard to the disposal of the tops and the refuse after logging in Alberta, I do not know the facts, but I think there is a feeling that the department in asking the loggers to dispose of that material are holding the leaseholders responsible for any fire that may occur. Is there any more responsibility on those holding leases than upon persons who travel through the woods?

Mr. STEWART (Argenteuil): The leaseholders have to pay half the cost if a fire occurs. But what they are complaining about is not that so much as the provisions with respect to the disposal of slash, in comparison with those applicable to operators in any one of the provinces. But if we are somewhat arbitrary in dealing with the people operating on Crown lands, we are setting an example which the other provinces might follow.

Mr. BROWN: What has been the experience as to the practicability of the method the minister has been describing? Has it actually been possible to carry it out?

Mr. STEWART (Argenteuil): Oh yes; you can carry out any regulation, although you may have a little difficulty in doing so. We have to enforce that.

Mr. BROWN: The disposal of that slash is one of the most difficult problems we have.

Mr. STEWART (Argenteuil): Slash, of course, is responsible for a great fire hazard. The forest wealth of Canada is so important —and I think in the future we will realize this—that if we forced them to cut up every top and burn it, even green, it would be worth while. It might be expensive, but it would be in the interests of the preservation of our forest wealth. That is my candid opinion in the matter. I have absolutely no sympathy with any attempt to avoid the regulations with respect to slash disposal.

Mr. MACLEAN (York): Can you not make the leaseholder take that view as well as the government? Could he be made to see that it is in his interests to operate with due regard to the maintenance of the timber wealth?

Mr. ARTHURS: How does the government dispose of the timber on burned over areas which have not been previously under lease?

Mr. STEWART (Argenteuil): If it is in the prairie provinces, where we control, we immediately put the burned area up for sale and the timber is salvaged.

Mr. ARTHURS: Is it not true that in many cases or in all cases the timber on burned over areas is sold at a very small proportion of the price which it would bring if it were green?

Mr. STEWART (Argenteuil): One half the dues under permit is what we have to sell it for.

[Mr. Warner.]

Mr. ARTHURS: The stumpage also is lower?

Mr. STEWART (Argenteuil): Oh, yes.

Mr. ARTHURS: Does the minister not consider that in many cases there is a very strong incentive in that to set out fires?

Mr. STEWART (Argenteuil): We have a suspicion that that happens once in a while, particularly where there is an area of, say two or three sections, a small area that can be conveniently burned. But we have pretty rigid regulations, and although we may not catch every offender it is getting more difficult all the time to do that sort of thing.

Mr. ARTHURS: Has the department any fire marshal or other official who investigates these fires and ascertains the cause?

Mr. STEWART (Argenteuil): Yes, every case is followed up.

Mr. ARTHURS: I suppose if there is a suspicion with regard to a certain party he would not get the benefit of the reduction?

Mr. STEWART (Argenteuil): Well, we try to get conviction if we can catch him, that is all.

Mr. BOYS: Would the minister give us some idea of the terms of the leases? Are they issued for a term of years with conditions which obtain throughout that term, or has the department the right to vary the conditions from year to year? I am not quite as familiar with the West as I am with Ontario. Do these leases merely cover the railway belt, or what part? In British Columbia I suppose they are confined to the railway belt.

Mr. STEWART (Argenteuil): As to the timber over which the Dominion government have control, there is provision for cancellation at the end of each year if it is desired.

Mr. BOYS: That is exactly as it is in Ontario. The regulations, then, are absolutely in the hands of the department?

Mr. STEWART (Argenteuil): Yes, we can make any changes we desire, any
9 p.m. regulations from time to time.

Mr. BOYS: Then what was said to my leader a moment ago would hardly be correct. I understood the minister to say you could not drive, you could not force; as I understand it, these leases are issued with the right to cancellation at the end of any year, so that in issuing new licenses you can impose your own terms.

Mr. STEWART (Argenteuil): What I spoke of in reply to the leader of the opposition was the leases in the provinces, not the timber controlled by the federal government. The federal government have regulations for the disposal of slash which would make it extremely difficult for many of the old leaseholders. As my hon. friend knows, in Ontario, in Quebec, and in British Columbia outside the railway belt, the provincial governments themselves own and control the natural resources and make their own regulations. The difficulty that arises there is that in many cases the provisions of the lease cover the period during which the timber is cut off, and I presume that it would be difficult to change these definite provisions. But in all the new leases rigid control is provided for, and there is provision whereby changes may be made from time to time.

Mr. BOYS: Will the minister tell me something of the terms of leases affecting lands under the control of the department?

Mr. STEWART (Argenteuil): I have just mentioned that.

Mr. BOYS: I thought you were discussing the provincial rules.

Mr. STEWART (Argenteuil): I was at the outset, but I pointed out that we reserved the right to change the regulations at any time as to Dominion lands.

Mr. BAXTER: The stumpage charged by the Dominion may vary, I suppose from year to year? The right is reserved under the lease to charge whatever the current rate of stumpage may be?

Mr. STEWART (Argenteuil): Oh, yes.

Mr. BAXTER: Then in what way is the holder of an old license placed at a disadvantage compared with the man who gets a license to-day? As I understand the system, it is simply that permission is given to cut on a certain area, payment to be made at the current rate of stumpage for whatever is taken off. I do not see where there is any greater burden one way or the other, whether the lease is old or new. I followed with particular attention the evidence taken before the commission on pulpwood in New Brunswick and partly in Nova Scotia. While the pulpwood commission was supposed to have one chief object in view, they deal with many kindred matters and I think a perusal of the evidence would be well worth while so far as suggestions are concerned. I took the opportunity to prepare for the commission and hand to them an abstract of the laws of New Brunswick particularly directed to fire prevention. We have there not only the general law, but in some localities there is power to make more stringent regulations. What the minister says is absolutely correct, that if you have an area with very stringent regulations they will not be enforced because otherwise the producer in that section is put at a very distinct disadvantage when he has to bear the cost of carrying on fire protection as against some other area where the regulations are not so strictly enforced or where they do not exist. The comparison may not only be between provinces, but between sections of the same province. In a few words what I should like to say to the minister is this: That while I have every possible sympathy with him in his idea as to regulation, yet I rather fear that we are, perhaps, scarcely getting at it from the right angle. You can have plentiful regulation, and I feel that is the position we are in in the province of New Brunswick, where our regulations are stiffer than they have been probably for a century, and yet our forests have been more devastated of recent years than they have been for a very long time previously. The trouble is that our regulations remain on the paper where they are printed and it is difficult —and I know it is a tremendous subject—to get the regulations enforced. The minister is going to experience that difficulty and so is everybody else who is engaged in forest protection. The employment of aeroplanes is useful so far as the detection of fires is concerned but it is only a palliative. After the fire has started I grant the aeroplane can discover it, and I am going to discountenance in any way the use of the aeroplane, but the trouble is that that fire has started. In some cases it starts through natural agencies like a stroke of lightning, but ordinarily it starts through human influence. That means campers, or picnickers, or hunters, or careless people engaged in forest operations. Now it is very difficult to get at the campers, the picnickers and the hunters. We have regulations in New Brunswick whereby you can get at the hunter but you cannot possibly track him. You cannot control the operator without the necessity of imposing a tremendous burden on him in carrying out stringent regulations, a burden so heavy that he cannot compete with people who do not have to face those regulations. I have sympathy with the minister in trying to work up what I might call a Dominion standard and trying to get it accepted, but the Dominion standard alone without a punch behind it will not be of very much value. Our

people have to realize that laws must be enforced and that is one of the difficulties at the present time—that laws are considered to be something made to be placarded, to be read, everything except to be obeyed in the spirit as well as in the letter. That is the greatest trouble I believe with our forest protection. It is all very well to talk about reforestation. I agree with the minister we do not need it in most localities, the thing is to save the existing forests. And always bear in mind when we talk about reproduction of the forest that it is being reproduced in areas that are largely outside of the reach of the present generation, at great distances from water communication and from rail communication; the affected portion of the forest we are dealing with is in a comparatively limited area, and the timber is disappearing with tremendous rapidity. Now, the question arises, is the country prepared to save what it has? In order to do it there must be Dominion-wide effort and we must have absolute enforcement of the law. It will increase the price of raw material, but there is such a demand in the country to-day for our wood products that the purchasers can and must afford to pay the price that is necessary in order to preserve the heritage of the people of the Dominion. We are not losing wood alone. Everybody must notice from time to time the reports of devastation caused by wind, storm and rain, and all that kind of thing, which has a direct, immediate effect on forest waste that it will take more than one generation to restore.

Mr. RYCKMAN: Would the minister kindly tell us what portion of last year's vote was expended for the province of Ontario?

Mr. STEWART (Argenteuil): We do not spend any money in Ontario except $20,000 on research work. Each of the provinces assumes the responsibility of caring for its own resource. The main reason we discuss this in the provinces at all is for the purpose of propaganda, in the hope that we will be able to encourage people to take a greater interest in this resource.

Mr. LEWIS: Is this money all spent in the three prairie provinces?

Mr. STEWART (Argenteuil): And British Columbia.

Mr. LEWIS: Have you any figures to illustrate the extent of the devastation from fire that takes place in the three prairie provinces and British Columbia? I understood from an article to which the minister's name was signed that the annual loss was about $15,000,000.

Mr. ARTHURS: What was the approximate amount of timber cut upon crown lands last year?

Mr. McQUARRIE: Would the minister give details of this particular item? I do not think we have had them yet.

Mr. STEWART (Argenteuil): The details asked by my hon. friend are as follows:

Head Office	$45,000
Publicity	5,000
Save-the-forest-week	5,000
Emergency fire fund	25,000
Surveys and research	45,000
Forest Products Laboratories—	
(a) Montreal	103,000
(b) Vancouver	22,500
Tree planting	74,500
Forest reserves and fire ranging—	
Manitoba	170,000
Saskatchewan	220,000
Alberta and British Columbia	435,000
	$1,150,000

Mr. McQUARRIE: Can the minister give the revenue by provinces?

Mr. STEWART (Argenteuil): The forest reserves gave us a revenue last year of $143,000, but that does not take into account the receipts from the timber licenses because that is only from the lands set aside by the federal government as forest reserves. All the timber leases and licenses are in a separate account. I will try and get the figures.

Mr. ARTHURS: Has the hon. minister the number of feet cut upon the forest reserves and the number of licenses?

Mr. STEWART (Argenteuil): The figures are:

Sawn timber board feet measure	20,932,000	
Props estimated at	1,667,300	pieces
Lagging (cords)	795	
Lagging board feet	410,880	
Telephone poles	2,790	

The total amounts to $66,374. That is the amount of dues collected and is confined to forest reserves.

Mr. ARTHURS: Do the licensees pay any sums towards fire protection?

Mr. STEWART (Argenteuil): Timber dues for 1922-23 on license cuts amounted to $825,000.

Mr. CALDWELL: Does that include the stumpage?

Mr. STEWART (Argenteuil): Yes.

Mr. CALDWELL: Total revenue.

Mr. STEWART (Argenteuil): That was the total revenue.

Mr. STEVENS: One piece of timber is sold under auction, and tenders are received. Does that item include what is received under the method of sale of disposition of timber?

Mr. STEWART (Argenteuil): Yes, it is included in the year in which the money is paid over. It is the bonus my hon. friend has reference to paid for the privilege of doing the work.

Mr. STEVENS: That is included in the fees.

Mr. LEWIS: In view of the statement made by the hon. member for St. John and Albert (Mr. Baxter), in regard to the fires and their control, could the minister tell us whether there was any noticeable improvement in the prairie provinces and British Columbia where the lands are under federal legislation?

Mr. STEWART (Argenteuil): Yes, there is a very marked improvement. We had little loss last year. As my hon. friend knows, conditions make some difference. If we have a year of heavy rainfall the hazard is not so great. That being the case, last year naturally it was reduced almost to a minimum, but the average goes to show that we are not allowing the fires to get away. They are small in character, and do not cause the damage they did formerly.

Mr. McQUARRIE: Can the minister allocate the appropriation to the different provinces?

Mr. STEWART (Argenteuil): I do not know that we can do that. That, of course, would apply in British Columbia for example, just to the railway belt.

Mr. MEIGHEN: I am satisfied with the minister's words, is so far as they evidence an interest in the subject and a realization of its imminent importance, indeed a realization of the peril we are under at the present time. I cannot say that I am very much encouraged by the relation of practical achievements, much less by the disclosure of practical plans of improvement. He tells us that they purpose using the aeroplanes of the Defence forces. Well, I do not know that there is very much to be hoped for there. I do not know just the extent of the air service that is being maintained. If it is gradually going out of existence, as is the case with other services, it will not be of very much value to the forests or anything else. I would like to have some idea of the plan by which we are going to effect a radical improvement in the survey and general supervision of our forests; that is to say, what further use is to be made of the aeroplanes, what further use is to be made of the telephone, or what steps are being taken to counteract the bud worm and other pests and diseases? I think the minister's figures as to the loss by fire are low indeed relatively to the loss by nature and while he hopes, without revealing to the House any comprehensive scheme or plan for taking the situation in hand, to reduce our fire loss by half in two years, he is actually confronted with the fact that the loss is increasing every year right under his eyes, and pretty much under the exact policy he is following now.

Mr. STEWART (Argenteuil): Not in the area the federal government controls.

Mr. MEIGHEN: Was the loss last year less than the year before?

Mr. STEWART (Argenteuil): We had few fires there.

Mr. MEIGHEN: Perhaps not in that area, but in the whole of Canada it was greater. Our losses were colossal in eastern Canada.

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: It may be the minister was fortunate last year, and it may be that the results were a testimony of the efficiency of the system we had. I fear myself it is more a testimony to good luck. What steps is the minister taking to prevent settlement in districts that should not be open to settlement?

Mr. STEWART (Argenteuil): That was settled last year by the Forests Act.

Mr. MEIGHEN: And settlers are not going in?

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: Outside of those areas, are steps being taken to discourage, or even to prohibit, settlement in districts where the harm the settler will do will be greater than the benefit to himself or the country? I think that settlement is one of the major causes of our forest devastation. Furthermore, as the minister said, in respect of one or two of the railway ventures we are entering into, the danger from fire by the penetration of those roads is greater than the possible hope of benefit. I have in mind the

Guysborough line for example. It runs through considerable timber, and I fancy from what I have heard it will likely burn down more timber than will be compensated for by all the good it will ever do. I hear someone laughing. I fancy he knows the circumstances. Information about that is coming to hand all the time, but I do not want to drift into a discussion on that subject. But in respect to prairie lines, in mapping out the direction, especially of the northern lines, has the subject been taken into account? We have lost by the penetration of railways, some of them unnecessary, to the extent of hundreds of millions. We have lost timber worth more than the railways of this country are worth or ever will be worth. The way timber has been destroyed by the penetration of more or less useful railways is simply a crime. In all these respects, not only a comprehensive, but a determined, persistent policy must be maintained. I do not think the reproduction is going to take care of our fire losses or our cut by any means unless a tremendous improvement is effected. I was criticised because in a speech this session I said that we were engaged to-day in the depletion of our irreplaceable losses, virtually selling our estate, that is in respect of our timber, and that when it was gone, it would take generations to replace it. An hon. member said that that was an exaggeration. An exaggeration! It is an understatement. I have talked with as good experts as we have in the country. I know that the time required for trees to grow varies, and the exact time for any class at any certain point is not even then very closely determined. The engineers of our larger companies differ in that regard; but I have never heard any of them put at under fifty years, the time for even the most rapidly growing trees to come to any sort of maturity. Some of them very much longer, double the time. Therefore, when one places at a generation the time required to replace the whole that we destroy, he is making a very modest statement of the truth, so that the attention we have given to the subject is altogether too little in proportion to its consequences.

I know the minister's difficulties; they are largely those difficulties that grow out of our federal constitution, and consequently to overcome them, not only co-operation by convention and by word of our provinces must be maintained, but actual results in the way of uniform regulations and uniform schemes of protection must be arrived at and pursued. It is the last few years that have brought this home to us as never before. We have developed all through the last decade or so quite a considerable fire-fighting force in the federal service, but it is in the last three or four years that we have found ourselves face to face with a very critical position. I do not think those who take the gloomiest view of the near approach of our forest destitution are very far out. All the minister can do to bring the facts home to the people of Canada, he ought to do, and any moneys carefully spent to that end, or rather moneys wisely spent to that end, for wisdom is better than even care there, will be amply repaid to the people of the Dominion. We have to bring home not only the inportance of this matter to every person who cares for his country, but the wisdom to the individual of taking care of it to save himself. What I mean is this: I think we need a few very drastic punishments in this country for fire starting. I do not know of any better way to bring the necessity home to some people than that way, or, indeed, any way except that way. We have not had it. We have had a leniency on the part of courts, and we have had a general laxity on the part of public opinion with the consequence that just what an offence in respect of forest destruction really means has never been brought home to the reckless and semi-criminal. That is essential, and I think the minister can help in that regard. He ought sometimes to be represented at trials that we may have in our country to endeavour to impress our courts with what this thing really means and what the people and government of Canada consider to be a matter of importance.

Mr. STEWART (Argenteuil): That is what the forestry officials complain of in all the provinces.

Mr. MEIGHEN: I think the forestry officials have ample ground of complaint; but nevertheless let the minister persevere in seeking to obtain this uniformity of regulations, and not only persevere in this, but hasten it by every means in his power. Then I will vote for any appropriation essential to extend the telephone system, the aeroplane system and aeroplane supervision in such a way that the necessary fire-fighting force can be carried to the scene of an incipient fire in time to get it out of the way before devastation ensues. I do not know that we are going to get very far by providing by aeroplane merely for location. We have to go beyond that and provide by aeroplane for crushing the fire itself. It seems to me that a great deal is to be hoped for by means of this new instrument. I should like to know just what the minister purposes to do with those planes,

how far he is provided with them, if he has any scheme of co-operation with the provinces worked out for the use of those planes, and if so, on what basis, also what he is doing in respect of budworm and other insect destruction.

Mr. STEWART (Argenteuil): We have no budworm in our reserves.

Mr. MEIGHEN: We did not have it; I am glad to hear that we do not have it in our timber; but nevertheless, it is a national problem. We have to take an interest even though the immediate responsibility is in the provinces.

Mr. STEWART (Argenteuil): The budworm is one of the problems that I intend to have the Research Council take hold of very actively. The Department of Agriculture have been lending assistance. We have nothing of that kind to contend with within the forest areas of the federal government. I have nothing to add to what my right hon. friend has stated; I agree with every word he has spoken. Apparently, the judiciary are loath to inflict penalities of any sort upon offenders of this character. I am convinced, if we can stir up public opinion, if we can get public opinion aroused to the terrible devastation that is going on at their doors, we shall have gone a very considerable distance in reducing fire hazards. But there is almost a criminal neglect on the part of the public with respect to this matter. As a matter of fact, in our forest reserves, it is almost necessary to send a fire ranger after any party that goes through for fear fires are neglected and incipient fires start as a result of carelessness on the part of campers. I think that is the experience at every one of the forest departments of provincial governments. Perhaps my right hon. friend is right in saying that the rainfall assisted us very materially last year, but I need only instance the year before last when we had such a tremendous loss in British Columbia. We did not suffer a very severe loss; we had innumerable small fires in the railway belt, but not to the same extent, and we are year by year strengthening up our patrol system. The aeroplane would be of immense value to us in locating fires at the start, particularly when those aeroplanes are equipped with a pump so that a man or two can drop down on a lake and put out a fire when it is at such a stage that one or two men can handle it, whereas in two or three days, perhaps 400 would be required to deal with it. In that way money is being well spent on research.

Mr. McQUARRIE: I do not suppose the minister means to suggest that there is a tendency on the part of the courts to let offenders off. I presume the difficulty is that the necessary proof is not produced on the trials and consequently there is nothing for the courts to do but to discharge the accused. I should like to ask the minister if he is suggesting that the courts are too lenient in cases where prosecutions are had for starting fires and that kind of thing.

Mr. STEWART (Argenteuil): I think the difficulty is that neither the courts nor the public recognize the enormity of an offence of this calibre. It is not looked upon as a very serious thing to have let a fire get out of hand, and although it may do considerable damage, the fact is that there has been more or less laxity in the past in dealing with these cases. We have hardly appreciated yet the distinction between setting fires to clear needed land—which was a very desirable thing in the early days—and the habit of letting fires get away through carelessness, thus causing so much damage.

Mr. McQUARRIE: Does the minister suggest that the courts are allowing these people to go because they do not appreciate the seriousness of the offence?

Mr. STEWART (Argenteuil): No, I do not suggest that.

Mr. McQUARRIE: Then I suppose the minister has reference to the penalties inflicted.

Mr. STEWART (Argenteuil): If an individual is found guilty the court scarcely ever imposes the maximum fine, and that perhaps is the great difficulty. As I say, it is not regarded as a very serious crime to have let a fire get out of hand and destroy valuable timber. However, I suppose it is merely a state of mind.

Mr. McQUARRIE: The minister apparently finds that the courts are imposing inadequate fines. If that is the case the matter may be rather serious. Has the minister taken any of these cases into consideration, or have any representations been made to any of the judges, or those responsible for enforcing the laws, in connection with that particular matter?

Mr. STEWART: (Argenteuil): Of course, it is not our business to interfere with the prerogatives of the provincial courts or with the provincial forestry officers. We can only take action in regard to the areas over which we have control ourselves. I am not com-

plaining of the courts any more than I am complaining of the indifference which has been shown by the public generally. As I say, it is simply a state of mind; the public does not realize the enormity of this particular offence.

Mr. McQUARRIE: The minister might tell us how many convictions were obtained during the last year and how many prosecutions were made. Has he made any investigation in regard to the air machines that are available through the Department of Defence for the work of patrolling the forests? Is it a fact that the air service at the present time is made up pretty much of a lot of junk and antiquated machines which to say the least, are not very satisfactory and probably are very unsafe to those who operate them? I am told that a man who goes out in one of these machines to-day is very lucky if he comes back alive and that the aeroplanes we have, generally speaking, would not be used in any civilized country. It is said that they are away behind the times and that this Dominion has not kept pace with other countries in her air service. Now, if these machines are valuable for forest patrol and protection work as I am firmly convinced they are, I think we should have more and better aeroplanes. We should try to improve the standard of our machines and increase their numbers; because, if we are not to think about machines from the point of view of war service, we must nevertheless realize that they are exceedingly useful in this department of the public service. I think it is a great shame that Canada should compel any man in the air force to use a machine which is not properly equipped. What is the programme for the year? Is it intended to purchase any new machines and to improve those which we already have?

Mr. STEWART (Argenteuil): My hon. friend I presume, is anxious for this information.

Mr. McQUARRIE: Yes.

Mr. STEWART (Argenteuil): There will be seven machines in Manitoba and four in Alberta.

Mr. McQUARRIE: New ones?

Mr. STEWART (Argenteuil): Yes. A short time ago, Major General Sir W. R. Sefton Brancker, the controller of the Air Service of Great Britain, was here in consultation with the Department of National Defence. I cannot, of course, give the details of the matter because it is not in my department. I can, however, say that a thorough discussion was held and a decision was come to as to the kind of machine which is better adapted to this particular service than any that has heretofore been in use. These machines will be in operation this year in these localities.

Mr. McQUARRIE: Four?

Mr. STEWART (Argenteuil): No. Eleven.

Mr. SPEAKMAN: I am glad of this discussion and I believe it is well worth while, because I think with the minister that a developed public opinion is the most effective safeguard against fires, and I am speaking from some personal experience which I have had in a forest reserve in my own district, the Rocky Mountain House Reserve. I have noted there in the last few years a very marked change in public sentiment, so that to-day it is looked upon by the people of the district as rather a heinous crime to let fires go. With the growth of this sentiment I have observed a diminution in fires, and I think that the more the importance of the matter is emphasized the better.

Under this item I want to call the attention of the minister to the situation in that forest reserve. I intended bringing it up last year under the public works votes, but I was ruled out of order. There is, in that reserve about 20 miles within the boundary, a mining town known as Nordegg with a population of 1,500. It is related to the Brazeau collieries, one of the big steam coal collieries, and it lies about 180 miles west of Red Deer. From Red Deer to Holberg, 40 miles east of Nordegg, there is a provincial road, but from Holberg to Nordegg there is no road at all. In other words, there is a stretch of some 40 mlies which is provided with neither road nor telephone, and the only communication the people have with the outside world is by train three times a week. You can realize what an inconvenience this is to a town of 1,500, a great many of whom are married men. There is no possible communication by road unless one goes by pack horse, if one understands how to use it. The difficulty is that 20 miles of the 40 are under provincial jurisdiction, the other 20 being within the province of the Dominion. The province itself certainly would not undertake road construction through a federal reserve and these people have petitioned time and again to have a road built. They have generally petitioned the provincial government, under a misapprehension as to the peculiar situation that exists in connection with this divided jurisdiction. There is opportunity

for a great deal of business to be done; and apart from the inconvenience and the discomfort which necessarily attach to life under these conditions, these people have no means of leaving home except by train. There is a very good mixed farming country not very far east from Nordegg, and the people grow enough fresh vegetables and produce sufficient butter, milk and so forth to supply the needs of the town. They could be taken in and delivered very conveniently by car or truck. A road through there would help the people of Nordegg and the farmers in the surrounding country, and would build up business generally. While I realize that the engineering problem may be difficult and expensive as Nordegg lies in the foothills, at the same time I think it would be advisable for the minister to discuss the matter with his colleagues, because other departments may be involved in such road construction. and to confer with the provincial authorities with a view to arriving at some working arrangement under which this forty-mile stretch of road might be constructed. I believe it can be done; but if not, I would ask him to at least consider the granting of permission to the people there to build a telephone line and so enable them to have telephone connection with the outside world. As I understand the regulations, telephone lines are not allowed in the forest reserves except for the use of the forestry officials, and the railways will not permit telephone wires to be strung on their poles except for official use. The result is that the people of Nordegg. although only forty miles from telephone service, are as absolutely cut off from it as if they were in the South Sea islands. I would ask the minister to take these two matters under consideration to see if some relief cannot be afforded these people.

Mr. BOYS: The minister stated that the courts do not impose the maximum penalties. I suggest that he prescribe a minimum. For instance, with respect to the theft of automobiles, the law was amended and now a judge has no option but to impose a year's imprisonment on offenders. Prescribe a minimum fine, and the court will have no alternative but to impose it. Perhaps my hon. friend would get relief in that way.

Mr. STEWART (Argenteuil): It is worth considering.

Item agreed to.

Grant to Canadian Forestry Association, $4,000.

Mr. COOTE: Would the minister inform us how many trees are supplied from the Indian Head farm branch?

Mr. STEWART (Argenteuil): In reply to my hon. friend from Red Deer (Mr. Speakman), there is no restriction with respect to telephone lines. I am perfectly willing to discuss with the provincial authorities the building of the road referred to.

The CHAIRMAN: Shall the item carry? Carried.

For surveys and investigations of water and power resources, including the Dominion Hydrometric Survey; for the reclamation of lands by irrigation and drainage and for the administration of the Acts in connection therewith, etc., $547,000.

Mr. McQUARRIE: I understood the minister was giving some information with respect to the item of $4,000. The minister was on his feet.

Mr. STEWART (Argenteuil): I will give it if the vote is passed.

The CHAIRMAN: The minister was not on his feet when the item was called "carried". Is the grant to the Canadian Forestry Association declared open?

Mr. STEWART (Argenteuil): No, that comes under another item.

The CHAIRMAN: We are on the item for surveys and investigation of water and power resources.

Mr. McQUARRIE: The minister was on his feet when the item was called "carried". I think he was about to answer an inquiry by the hon. member for Macleod (Mr. Coote).

The CHAIRMAN: It is said that there was an inquiry from the hon. member for Macleod in regard to the grant to the Canadian Forestry Association.

Mr. STEWART (Argenteuil): Yes, I was going to give my hon. friend the information he asked for. From the Indian Head farm there were distributed 2,464,530 trees, and from the Sutherland farm 2,636,150 trees. The $4,000 to the Forestry Association is the ordinary grant given annually. It was somewhat larger last year. We felt that we had to undertake our propaganda work much more vigorously. We have asked for an increased grant to carry on the very same work practically as that maintained by the Lumbermen's Association. We are reaching the schools and all other quarters with our propaganda.

Mr. McQUARRIE: As I see it the item is the same this year as last—$4,000.

Mr. STEWART (Argenteuil): I beg my hon. friend's pardon. The year before it was $8,000; we cut it last year to $4,000.

Mr. KENNEDY (West Edmonton): What research work is being carried on in connection with forest products?

The CHAIRMAN: That is the next item.

Mr. LEWIS: In view of the fact that the Dominion owns the natural resources in the three prairie provinces, and this item applies to the whole Dominion, especially the latter part of it, will the minister inform the committee if the work is restricted to the provinces where we own the natural resources?

Mr. STEWART (Argenteuil): Which vote?

Mr. LEWIS: The $547,000 vote.

The CHAIRMAN: Shall this vote carry, grant to Canadian Forestry Association, $4,000.

Item agreed to.

For surveys and investigations of water and power resources, including the Dominion Hydrometric Survey; for the reclamation of lands by irrigation and drainage and for the administration of the acts in connection therewith, etc., $457,000.

Mr. McQUARRIE: Will the minister give the details?

The CHAIRMAN: The member for Swift Current (Mr. Lewis) was making an inquiry.

Mr. LEWIS: I was asking with regard to the reclamation of land by irrigation and drainage. Does this take place in all the provinces?

Mr. STEWART (Argenteuil): The water power and irrigation and reclamation services have been combined and placed under Mr. J. B. Challies as chief. For 1924-25 it is estimated that for surveys and investigations of water and power resources we shall require $330,000; for irrigation $173,000; for reclamation $52,000, or a total of $550,000. In British Columbia for surveys and investigations of water and power resources and for administration of water powers, for the fiscal year we shall require $47,000, in the Yukon $2,000, in Alberta $50,000, in Saskatchewan $32,000, in Manitoba $34,000, in Ontario $53,000, in Quebec $20,000, in New Brunswick $8,000, in Nova Scotia $11,000, in Prince Edward Island $1,000; and for fuel power investigations $10,000, and for flooded land contouring, $9,000.

Mr. STEWART (Humboldt): What amount was expended in Saskatchewan last year on the Waterhen lake drainage project; what disposal has been made of the land already reclaimed in that connection, and what prospects has the department of disposing of the remainder of the lands?

Mr. STEWART (Argenteuil): It is not our purpose to try to dispose of it at once, because there is a very heavy investment there on account of the drainage. The area is not thoroughly dried and we have it under lease for a few years in order that the sun may get in its work, when we hope we shall recover a much larger amount from the sale of the lands than would be possible at this time.

Mr. STEWART (Humboldt): Have you the terms of the lease there?

Mr. STEWART (Argenteuil): No, but speaking from memory, I think they are on the same terms as those on which the grazing leases are issued.

Mr. BOYS: I notice there is a decrease of $104,000 in this item. Is that due to the completion of certain works, the reclamation of lands and irrigation, and does it mean that expenditure incurred in that connection last year will not be required this year?

Mr. STEWART (Argenteuil): In both services I thought it advisable to cut down very materially. Perhaps I might recite briefly the arrangement with the western provinces with respect to irrigation. When the right hon. leader of the opposition was Minister of the Interior an arrangement was entered into between particularly the province of Alberta and the Department of the Interior whereby the initial surveys should be made to ascertain whether water was available, what was the character of the land, and whether irrigation would be feasible. That was done, and at that point it was agreed that the expenditure on the part of the federal government should cease. The hydrometric surveys, of course, must be continued over a period of years; therefore that work is still going on. There is a large area north of the Red Deer river upon which recent surveys have been made and upon which more may be required, because that project runs into Saskatchewan. But generally speaking, the survey work for irrigation purposes is practically completed so far as the federal government is concerned. Some small amounts will be necessary to finish, but they will be largely in respect to applications for small areas throughout the province where it is supposed that there is a sufficient volume of water to carry on irrigation. That accounts for a very considerable reduction in the expenditure. The reclamation service is much in the same position.

10 p.m.

The Waterhen lake project, spoken of by my hon. friend (Mr. Stewart, Humboldt), was a project entered into by the federal government some years ago to

drain an area in Saskatchewan. In this case the cost has been within the amount originally estimated. In Manitoba surveys were made on the Carrot river with a view to reclaiming lands there, and also in a considerable number of areas in northern Alberta. I think that in western Canada until the first class agricultural lands are settled on there is not much necessity for surveys or for work being commenced on these drainage projects. To my mind that can very well wait until some time in the future when land is required much more than it is at the present day. Of course some of these projects are being carried on by private enterprise, but I am speaking now of the reclamation activities of the Dominion government.

Mr. BOYS: Could the minister place an amount on the reduction to which he has referred?

Mr. STEWART (Argenteuil): On irrigation it is $27,000, and on reclamation $77,000. These are the direct reductions.

Mr. STEWART (Humboldt): When I was speaking about the Waterhen project I asked the minister how much was expended last year, and I should like to know also what the total cost has been to date.

Mr. STEWART (Argenteuil): I have not the exact figures, but it was less than $10,000 last year. It would be about $150,000 all told.

Mr. PARENT: In what parts of the province of Quebec was the $20,000 expended that the minister referred to?

Mr. STEWART (Argenteuil): That was for hydrometric work on various streams in the province of Quebec. That work will be continued for a considerable number of years yet.

Mr. PARENT: Could the minister specify the particular places, and on what particular water powers this expenditure was made?

Mr. STEWART (Argenteuil): I have the list here and the names are all in French. Rather than attempt to read it I will hand it to my hon. friend.

Mr. McQUARRIE: What is the area of the lands which have been reclaimed, the cost of the reclamation, and the estimated value of the reclaimed lands?

Mr. STEWART (Argenteuil): Only one drainage project has been completed, the Waterhen. In the case of the others, the work done is mostly survey work.

Mr. PARENT: I want to give the committee a list of the names that were so hard to pronounce, some of them are practically French. Here they are: Ottawa, Coulonge, Black, North, Rouge, Lievre, Gatineau, St. Maurice, Manouan, St. Francis, Batiscan, Peribonka, Mistassini, Shipshaw, Ashuapmuchuan, Metabetchouan, Saguenay, Escoumains, Assomption, Chicoutimi, Bayonne, Du Loup, Yamachiche, Maskinonge, Portneuf, Sault au Cochon, Sault au Mouton, Ste. Anne de la Perack, Jacques Cartier, Montmorency, Bersimis, Laval, Outardes, Manicouagan, Manitou, St. Jean, Chateauguay, St. Louis, St. Marguerite, Mars, Valin, Gouffre, Malbaie. On all these rivers the amounts spent amounted to less than $20,000. I should like to know what work was performed on these streams in 1923.

The CHAIRMAN (Mr. Vien): Shall the item carry?

Mr. McQUARRIE: No, Mr. Chairman, I am still waiting for an answer to my question. Then I have some other questions to which I should like an answer.

Mr. STEWART (Argenteuil): In reply to my hon. friend from Quebec West (Mr. Parent) I may say that these measurement stations do not cost a great deal of money. Once the measurement apparatus is installed it is largely a case of watching and taking the records. The records in all these rivers will be available. They will have to be kept for a period of ten years or more before they will be of very much value to establish the complete power units that will be available. It seems a small amount of money for a large amount of work but still that work is very valuable.

Mr. PARENT: I also wished to find out whether the men who are making these measurements were nominated by the Civil Service Commission.

Mr. STEWART (Argenteuil): Most likely. Now in reply to my hon. friend from New Westminster (Mr. McQuarrie) I have this information with respect to drainage works constructed on Waterhen lake and marsh:

1. Drainage works constructed—Waterhen lake and marsh, in townships, 44, 45a, and 45, ranges 21 and 22, west of the 2nd meridian.

2. Area of land reclaimed—13,920 acres

3. Expenditure—

1920-21	$ 922 99
1921-22	83,211 06
1922-23	64,036 71
1923-24	15,970 81
Total	$164,141 57

Mr. McQUARRIE: What is the estimated value?

Mr. STEWART (Argenteuil): That will complete it.

Mr. McQUARRIE: I asked the minister what was the estimated value of the land.

Mr. STEWART (Argenteuil): It is a very difficult thing to say. In those somewhat northern latitudes the areas drained will be a little longer in drying out and becoming valuable. They will ultimately become valuable as agricultural lands but at the moment, as my hon. friend will understand, they are not of very much value from the agricultural standpoint. That will take some years, and in the meantime we have leased these lands under the provisions of the ranching leases, hoping that when they do dry out they will be at least of the same value or perhaps more value, than the agricultural lands surrounding them which I should say would be worth $20 and $35 per acre.

Mr. McQUARRIE: Are we getting any rental now?

Mr. STEWART (Argenteuil): Yes, we have been getting a rental of 2 cents an acre.

Mr. McQUARRIE: Would the minister inform the committee as to what information has been obtained, or what results secured, by the surveys which have been made. I have left the reclamations and am now dealing with the surveys which have been made. Has the minister any summary giving the result of these surveys and the value received by the country therefor?

Mr. STEWART (Argenteuil): The following projects have been investigated and completely surveyed by engineers of the Reclamation Service and are in readiness for construction as soon as the time is considered opportune for such development:

Project—Province—Area.	Estimated Cost
Kimiwan lake, Alberta, 10,000 acres..	$ 87,000
Winagami, Alberta, 13,000 acres..	120,000
Sounding lake, Alberta, 7,000 acres..	79,000
Rocky Mountain House, Alberta, 25,000 acres.	160,000
Flat lake, Alberta, 11,000 acres..	101,000
Lanes lake, Alberta, 3,500 acres..	28,000
Majeau lake, Alberta, 5,000 acres..	32,000
Magloire lake, Alberta, 3,000 acres..	10,000
Manawan lake, Alberta, 10,000 acres..	72,800
Cygnet lake, Alberta, 36,00 acres..	30,000
Athabaska district, Alberta, 49,000 acres.. ..	195,000
Ponass lake, Saskatchewan, 42,000 acres.. ..	300,000
Moose range, Saskatchewan, 130,000 acres. ..	315,000

In addition to the above the Carrot river triangle, comprising about 800,000 acres of mostly muskeg, west of The Pas, Manitoba, has been thoroughly investigated and surveyed. The surveys were just completed at the end of the last field season.

[Mr. C. A. Stewart.]

Mr. McQUARRIE: What has been the total cost of the surveys?

The CHAIRMAN (Mr. Vien): Shall the item carry?

Mr. McQUARRIE: No, Mr. Chairman, I am waiting for an answer to my question.

Mr. STEWART (Argenteuil): What information does my hon. friend want?

Mr. McQUARRIE: The total amount expended in making these surveys.

Mr. STEWART (Argenteuil): I do not know that we could give that.

Mr. McQUARRIE: You should have that information.

Mr. STEWART (Argenteuil): No, that is impossible because a survey party may take two or three of these surveys in one season.

Mr. McQUARRIE: I am not confining the request to one year. I want the total amount that has been spent in making these surveys. Surely that can be given.

Mr. STEWART (Argenteuil): Yes, that can be given. Here are the amounts for the past three years:

1920-21..	$ 92,386.92
1921-22..	194,189.80
1922-23..	170,612.52

Mr. McQUARRIE: Is that the total cost in each year?

Mr. STEWART (Argenteuil): Yes.

Mr. McQUARRIE: Now, what is the estimated value of these lands when reclaimed?

Mr. STEWART (Argenteuil): We have no estimate on it.

Mr. McQUARRIE: It seems to me, as a business proposition, that when we are spending all this money making these surveys the minister or the department should have some idea as to what is to be obtained for the country in the way of value. Surely there must be some estimate as to what the lands will be worth after they are reclaimed.

Mr. STEWART (Argenteuil): I may say that if the estimate did not exceed ten or twelve dollars an acre the survey would not be prosecuted. That would be definitely ascertained before surveys would be made. But those lands, when thoroughly drained, may be worth twenty or twenty-five dollars an acre, but in the case of lands under the bed of a lake it would be useless to begin draining. In such a case no work is done.

Mr. McQUARRIE: That is what I am asking. If there is an estimate, then what is it? If there is no estimate, then why not?

Mr. STEWART (Argenteuil): I have just told the hon. member that if the area to be drained is not worth ten dollars an acre the surveys are not prosecuted. So that we have an estimate before the survey; and if it is estimated that it will be worth more than ten dollars an acre, then the land would be worth eventually something more than three million dollars all told.

Mr. McQUARRIE: Then there must be some estimate in each case.

Mr. STEWART (Argenteuil): My hon. friend can take that from what I say that the estimate must be more than ten dollars an acre on these lands.

Mr. McQUARRIE: It might be guesswork. It is either guesswork or we have something to go on. If we are simply spending money here on this work with our eyes shut, it would seem to be a very unbusinesslike proceeding. I do not think this or any other government would be likely to do that. I do not think the minister would authorize that kind of work without knowing something about it. I am suggesting to him that in each case there must have been an estimate obtained before any work was done. If that is so, then where are these estimates, and is it possible to have them brought down?

Mr. STEWART (Argenteuil): No, it is left to the chief of the party to make an investigation of the character of the soil under the proposed area. If the soil is not of a sandy character and the chief of party deems it wise to make a complete investigation and survey, he will first ascertain the character of the soil. If the soil is sandy, of course nothing further will be done, but if it is of a character that will lend itself to agriculture, then the investigation is made and the cost ascertained. I have given my hon. friend what the low minimum value would be, namely, ten dollars an acre, but in all probability, when the land is thoroughly drained and dried, the surrounding land would be worth twenty or twenty-five dollars an acre.

Mr. McQUARRIE: Do you start survey parties out without any previous information?

Mr. STEWART (Argenteuil): Well, we always have a request for the work to be done either by municipalities or by some people in the locality who are interested and who are desirous of knowing whether or not the project is a feasible one, so far as drainage is concerned.

Mr. McQUARRIE: Then those requests I presume would be in writing.

Mr. STEWART (Argenteuil): In some cases, yes.

Mr. McQUARRIE: I suppose they can be brought down.

Mr. STEWART (Argenteuil): Yes.

Mr. McQUARRIE: How much is proposed to spend this year on that kind of work?

Mr. STEWART (Argenteuil): Nothing.

Mr. McQUARRIE: The minister is not spending any money on survey work; so that this item is not properly described, as I understand it.

Mr. STEWART (Argenteuil): Oh, yes.

Mr. McQUARRIE: There is an item of $547,000 for surveys and investigations of water and power resources, including the Dominion hydrometric survey for the reclamation of lands by irrigation and drainage and for the administration of the acts in connection therewith. There are no surveys to be made as I understand it.

Mr. STEWART (Argenteuil): Not of that character.

Mr. McQUARRIE: No surveys of any kind under this item.

Mr. STEWART (Argenteuil): No.

Mr. McQUARRIE: Then what reclamation work is to be done.

Mr. STEWART (Argenteuil): That is what we have been talking about.

Mr. McQUARRIE: What is to be done?

Mr. STEWART (Argenteuil): Nothing of this character is to be done.

Mr. McQUARRIE: We have got away from that now. We have come to the reclamation feature of the work, and I am asking the minister what is to be done in the way of reclamation this year. I think that is a fair question.

Mr. FAFARD: Is it not a fact that the hydrometric surveys on the St. Maurice and Manouan rivers are made by the provincial authorities?

Mr. STEWART (Argenteuil): All the work on the dams and that sort of thing is done by the Quebec government. We are not doing any work in conflict with the Quebec government. We have an agreement with them and work in conjunction with them.

Mr. FAFARD: There are many waterpowers on the St. Maurice river in the province of Quebec.

Mr. STEWART (Argenteuil): Yes. It would be pretty costly work for the federal government to attend to all that.

Mr. BOYS: Have any lands been reclaimed, or is it all in the experimental stage?

Mr. STEWART (Argenteuil): The Waterhen work is the only one the federal government has engaged in and carried to completion.

Mr. BOYS: And do the results warrant the expenditure in that connection?

Mr. STEWART (Argenteuil): That remains to be seen. I do not think at the moment the land could be sold. No one would be willing to purchase the land on account of its character, because it is sour at the present moment. When water has lain for generations on land it leaves the surface in an unsatisfactory state for agriculture, and it will take some years to dry it. I meant to see it last year but I have never been able to see it. My information is that when a few years have passed and the ditches have been kept open and the drainage properly attended to, it will be first-class agricultural land.

Mr. BOYS: The cost of keeping the drains open would be very great, judging from the conditions in the district where I live. I have in my hand the estimates for 1920, and I notice that the amount voted for that year was $224,000. I also have the estimates for 1922, and I observe that the item had increased that year to $367,000. We now have the item in this year at $547,000.

Mr. STEWART (Argenteuil): There are two services joined together. There is the Water Power branch that was created some years ago. As a matter of fact, the Reclamation service, owing to the reason that I gave to my hon. friend, is being amalgamated with the Water Power branch. The main work of this branch now is stream measurement and investigation for power purposes throughout the whole of Canada. That was carried on under Mr. Challies. Mr. Drake was in charge of the Reclamation service; he is out of the service at the moment and the two services are combined under the one chief, Mr. Challies. The reason for the apparent increase is that the two services are amalgamated.

Mr. BOYS: When did the amalgamation take place?

Mr. STEWART (Argenteuil): It began last year.

[Mr. Fafard.]

Mr. BOYS: Take the previous year. I am not in a position to criticize the item. The water-power investigation I deem to be of the greatest importance to the country, and I would commend any reasonable expenditure for carrying on that investigation. But the hon. member for New Westminster (Mr. McQuarrie) has raised a point. We want to find out whether or not the expenditure being incurred is bringing returns and whether the country is warranted in continuing it. That seems to me the vital point as regards drainage work. If it is going to take years for these lands to dry out and to get rid of the sourness so as to become valuable, and if these drains have to be kept open in the meantime, I should be inclined to think that, in the end, they would cost more than they were worth, even though they sold at the same value as surrounding land that had been properly drained in the past.

Mr. STEWART (Argenteuil): I would not like to venture my opinion, but I never was an enthusiast about drainage. When I was in the Alberta legislature, I set my face rigidly against it, except, perhaps, for the purpose of draining a road allowance. We have millions of acres of first class land there still unsettled, and until those lands are all absorbed, I think it is premature to do this work. I thought, however, that we were, in duty bound—I am now speaking of the period when we took office—to finish up the survey work in connection with irrigation. We are spending a little on that this year but the work is practically completed. It is not my intention to spend any money on reclamation projects at all, much less to think of attempting, under the control of the Dominion government, to drain the lands. I give my hon. friend every assurance on that ground, but this department will now develop mainly into a department for investigations into power, which, my hon. friend will agree with me, is most important in Ontario and Quebec, as well as in the other provinces of Canada. Reliable data on that score is most important, because no one can anticipate how rapid the development will be of our power resources. They have developed very rapidly in the past, and I hope that rapid development will continue in the future. We shall be able to furnish very reliable data to investors who propose to go in and develop the water-powers that are found throughout Canada. We are doing not only hydrometric work, but making power measurements as well.

Mr. KNOX: Is the work on Waterhen lake not completed?

Mr. STEWART (Argenteuil): There are some lateral ditches yet to be constructed. Outside of that it is completed.

Mr. KNOX: The reclaimed lands have been rented, I understand.

Mr. STEWART (Argenteuil): Yes.

Mr. KNOX: Are those lands liable for taxation by rural municipalities?

Mr. STEWART (Argenteuil): I would say, offhand, no, except as regards leased lands for school purposes, if I am right. I have forgotten at the moment.

Mr. KNOX: Would parties who leased the lands not be liable for taxation in some way?

Mr. STEWART (Argenteuil): The lease is identical with a grazing lease, so every tax that applies to a grazing lease will be applicable to that lease.

Mr. STEWART (Humboldt). As regards the Moose range reclamation project in Carrot river triangle, has this government given up that project entirely, or was it only partially taken over by the Saskatchewan government?

Mr. STEWART (Argenteuil): Only the investigation was done by the federal government.

Mr. STEWART (Humboldt): The minister has no intention of carrying it any further then?

Mr. STEWART (Argenteuil): No.

Mr. LEADER: I notice in the Auditor General's report before me, F. H. Peters, field superintendent, drawing a salary of $4,500. Is he the gentleman whom we had under review the other night?

Mr. STEWART (Argenteuil): Yes.

Mr. LEADER: Has the minister any more information to give to the committee regarding that?

Mr. STEWART (Argenteuil): The information which I gave my hon. friend the other night was correct. Payments of living allowance ceased to Mr. Peters on the 1st October, 1923. I have investigated that and found it to be correct.

Mr. LEADER: Is it the minister's intention to ask Mr. Peters for a refund of the living allowance from the time his family was moved to Ottawa until the last day he was drawing it?

Mr. STEWART (Argenteuil): I could not do that, because the payments were made quite legitimately under regulations, but I may say for the information of my hon. friend that that system will not be continued in any other case.

Mr. McQUARRIE: As I understand the matter, all the words in this item after the semi-colon should be struck out, because this item does not include any surveys for reclamation or drainage purposes or any reclamation by drainage. Should the words:

> For the reclamation of lands by irrigation and drainage and for the administration of the acts in connection therewith, etc.

not be struck out?

Mr. STEWART (Argenteuil): Not at all. I have given my hon. friend the amount necessary to supervise some of these unfinished projects. We have in our hands some of these projects that it is necessary to complete. We are not undertaking any new surveys of any sort in connection with reclamation, nor are we going to enter upon any further investigation. With regard to irrigation, we have a considerable amount of work yet to complete, that is investigations of small areas, and when that is completed, our staff at Calgary will be cut down. The work is in process of being largely discontinued.

Mr. McQUARRIE: That is what I have been trying to ascertain all the time. What is the minister going to spend this year on that particular feature of this work? The minister might also give us the details of that expenditure.

Mr. STEWART (Argenteuil): The following is a statement of the reclamation service.

Irrigation Division—	
Salaries—	
Permanent office staff, Calgary..	$53,460 (A)
Permanent field staff, Calgary..	36,105 (B)
Permanent office staff, Ottawa..	14,430 (C)
Irrigation Administration (exclusive of salaries)—	
Field inspection and surveys—	
Experimental and demonstration work	33,400 (D)
General Expenses (office and Staff, Calgary)—	
Office expenses, telephone;	
Telegrams, postage, garage:	
Operation of one motor car:	
Repairs to transport:	
Contingencies..	14,900 (E)
Expenses (office, Ottawa)—	
Printing:	
Office supplies:	
Contingencies..	20,705 (F)
	$173,000

Mr. McQUARRIE: That total is for irrigation work that has to be done and not for surveys. The surveys, I take it, have all been completed.

Mr. STEWART (Argenteuil): It is for the administration of the act.

Mr. McQUARRIE: This year you will spend $173,000 on this work and may not get any value for it at all.

Mr. STEWART (Argenteuil): I referred my hon. friend to the arrangement that had been entered into with the federal government with respect to this work and I told him that it was drawing to a close rapidly and that we were endeavouring to have it all completed. As my hon. friend will observe, we have a reduction of $104,000 in this item this year and I hope shortly to wipe it out altogether. But there are a few of these investigations to be carried on in order to complete the work, and naturally of course there is some engineering work to be done before the data is completed.

Mr. McQUARRIE: Is there an arrangement with the provinces?

Mr. STEWART (Argenteuil): There was with Alberta.

Mr. McQUARRIE: What was it, and how much more work has to be done?

Mr. STEWART (Argenteuil): If my hon. friend will consult Hansard he will find that I gave him the details to-night.

Mr. McQUARRIE: Is there an arrangement in writing?

Mr. STEWART (Argenteuil): There was no agreement in writing but an arrangement was made between Alberta and the Department of the Interior.

Mr. McQUARRIE: Under that arrangement how much more shall we have to spend?

Mr. STEWART (Argenteuil): We shall have to spend half as much next year as we are spending this year before the work is completed.

Mr. CALDWELL: Is part of the vote devoted to surveys and investigational work in connection with power on the rivers in those provinces which control their own natural resources?

Mr. STEWART (Argenteuil): Yes.

Mr. CALDWELL: Do the provinces pay the federal government anything for the surveys that are made?

Mr. STEWART (Argenteuil): No.

[Mr. C. A. Stewart.]

Mr. CALDWELL: Has any work of this description been done in New Brunswick?

Mr. STEWART (Argenteuil): We have an arrangement with every province, Quebec being the last with which we have come to an agreement.

Mr. CALDWELL: Has any survey been made at Grand Falls in New Brunswick in the last two years?

Mr. STEWART (Argenteuil): We have been asked to investigate the possibilities of power development by the tide in the bay of Fundy.

Mr. CALDWELL: That would be at the reversible falls in St. John; but I am referring to inland waters two hundred miles from the mouth of the river at a place called Grand Falls. The province of New Brunswick proposes developing that power in the near future and I was wondering whether the department had been asked to inquire into the possibilities at that point and what the results were.

Mr. STEWART (Argenteuil): We have not made any investigation but we are making stream measurements on that river.

Mr. CALDWELL: What method does the department follow? Does it indiscriminately measure certain rivers, or does it do so upon the request of the province?

Mr. STEWART (Argenteuil): We have an arrangement with the power commission of New Brunswick and whatever work is done in the way of measurements is carried on by virtue of that arrangement.

Mr. CALDWELL: Is it done at their request?

Mr. STEWART (Argenteuil): I should think it would not be done unless they requested it.

Mr. CALDWELL: How much work would the province of New Brunswick get done if they wanted it, for example, this coming season and requested to have it done?

Mr. STEWART (Argenteuil): That is rather a difficult question to answer because this work is done co-operatively between the two staffs, and we have no definite allocation of work except in so far as there is an arrangement between the staffs working on these projects.

Mr. CALDWELL: Judging from the work done in those provinces that control their own natural resources, what value has been

placed upon that work by the Dominion from the standpoint of its reliability? Further, has any development taken place, or have any surveys been made independently of those carried on by the provinces themselves?

Mr. STEWART (Argenteuil): I do not see how any development could take place in connection with stream measurement, because, as I have pointed out half a dozen times, it is a matter of considerable years of careful measurements before definite data can be obtained. The following is a letter from Mr. P. J. Veniot, the Premier of New Brunswick, with respect to this matter:

The question of providing funds for carrying on the co-operative stream measurement and water power investigations of the Maritime provinces under the direction of the Water Power branch of your department, is no doubt now under consideration. I am aware that particular attention is being given to the necessity for rigid economy in federal matters this year, but in so far as this province is concerned, I desire to impress upon you the desirability to have this work continued along the same lines and to the same extent as it is at present being carried on. Unless this work is carried on as heretofore, some other arrangement must be made, as it is essential to the hydro electric development, which we are now carrying on in this province and I feel convinced that it will be admitted without question, that in the interests of real economy for the country as a whole, the development of hydro electric energy is a necessity which it is found to be economically possible. It is obvious that stream measurement work and water power investigations can be carried on more economically under the present co-operative arrangement than if our province attempted to set up a separate organization of its own. There is also the advantage that records of information of this nature obtained by your department are co-ordinted as to the accuracy and form with similar records throughout other parts of Canada. Engineers and official people interested in the hydro development are familiar with the methods of your department and they accept your records more readily and quickly than if they were obtained by organizations not so well known to them. This province highly appreciates the efforts made by your department in the past. You are no doubt aware that during the past few years this province has carried on hydro electric development up to the present time to a total investment of $3,500,000. We are now embarking upon the development of what is known as the Grand Falls proposition, which will ensure for this province cheap power and light and cost in the vicinity of $7,000,000. The data connected with the power already developed, as well as with the power now contemplated, would not have been possible without the assistance made available by the co-operative arrangements under discussion. I am sure that, informed as you are, in relation to this whole matter, you will be satisfied that a continuance of the present small expenditure in this province by your department is justified and that you will have no difficulty in persuading your colleagues to the same opinion.

Mr. CALDWELL: Has the department made any surveys on the Musquash development in New Brunswick which is being undertaken by the provincial government?

Mr. STEWART (Argenteuil): Yes, there was co-operation as to data.

Mr. CALDWELL: Does the survey include the amount of horse-power that might be developed at any given point on the river, or is it more in the nature of ascertaining the volume of continuous flow?

Mr. STEWART (Argenteuil): It is more to establish the dependable volume of flow. Then estimates can be made of the probable horse-power to be developed.

Mr. CALDWELL: What was the report on the streams that form the Musquash development? It was questioned whether the volume of water would justify such development.

Mr. STEWART (Argenteuil): I think it would be better if the engineer in charge sent the hon. member a full report of our investigation.

Mr. CALDWELL: It would save time.

Mr. BOYS: What investigation of hydro-power development is going on in Ontario? There is evidence of possible shortage of power there, and therefore it is very important that the provincial authorities should know what developments may be available.

Mr. STEWART (Argenteuil): Measurements are being taken on all the rivers in Ontario which may be capable of developing power.

Mr. BOYS: The minister says that measurements are being taken on "all the rivers." I presume investigations have been completed on many. But I was wondering what new ventures are in sight. For instance, I presume we have full knowledge now as to the total possible development on the Niagara, and in my own locality on the Severn river. But what other work is being carried on in this connection at the present time?

Mr. STEWART (Argenteuil): Measurements have been going on for only five years. As I have said repeatedly, that is not a sufficient time within which to provide definite data on which to base dependable flow, as the records vary very considerably. In ten or twelve years the dependable flow can be pretty well established, and this, after all, is the information which engineers seek in connection with development work.

Mr. BOYS: Apart from storage, I suppose the flow at low water is what is important. But I have not the slightest desire to get into a discussion upon the scientific features. I was merely wondering in what parts of Ontario this work was being carried on at the present time. Are these hydrometric tests being made now in Ontario?

Mr. STEWART (Argenteuil): On every river in Ontario where there is a possibility of power development, but the tests have been carried on for a period of only five years. Ontario and Quebec are developing most rapidly in this connection. We have been working in conjunction with the Ontario government for the past five years. Of course at Niagara, for example, records have been kept for many years; in the northern portion of the province this is not so.

Mr. BOYS: Take the minister's own county —which is also mine—there is only one development, that on the Severn river. I take it for granted that the possible power development there is well known now, and that consequently investigations are at an end. Are the present investigations all being conducted in northern Ontario?

Mr. STEWART (Argenteuil): I will hand my hon. friend the list.

Mr. BOYS: Is it so extensive?

Mr. STEWART (Argenteuil): Yes, it covers about twenty. I will pass it over to my hon. friend.

Mr. MICHAUD : A few years ago the International Waterways Commission was formed and one of its members was appointed from New Brunswick. That commission made a report, one copy of which was sent to the authorities in the state of Maine and the other to the Department of the Interior here. I have on several occasions tried to get this report, but so far I have not succeeded. The Grand Falls waterpower is one of the largest in the Maritime provinces, and I am happy to say that it is about to be developed. In order to obtain authority for this purpose the provincial government must get permission from the Minister of the Interior, and also from the state of Maine.

Mr. STEWART (Argenteuil): Is it an international river?

Mr. MICHAUD: Yes. The falls are about two miles below the state of Maine, but as it is an international river naturally the waters are protected by both countries. I should like to get a copy of the report I have referred to. I may add that encouragement by the Dominion government in the development of this power would be welcomed by the people of New Brunswick.

Mr. CALDWELL: In this connection, do the surveys of the department include the possibility of maintaining the flow of the river by adequate storage dams at the point of development? With respect to the question put by the hon. member for Restigouche and Madawaska (Mr. Michaud), I understand it is necessary to get authority from the state of Maine or from the American government to build storage dams on the St. John river north of Grand Falls in the United States. Will it be the duty of the Dominion government or of the provincial government to secure such authority? In other words, has the provincial government power to negotiate with a neighbouring country for storage rights? We must also secure similar rights from the province of Quebec. The St. John river is the international boundary from a point about two miles north of Grand Falls almost to its source; but where the actual development will take place is entirely within the Dominion.

Mr. STEWART (Argenteuil): If it is international water, an agreement of course, would have to be executed between the two federal governments. So far as provincial storage is concerned there is no reason why the two provinces could not work that out by agreement.

Mr. CALDWELL: I presume, then, that any storage needed in the state of Maine would have to be the subject of negotiation through the federal governments?

Mr. STEWART (Argenteuil): Yes.

Mr. CALDWELL: In that case I would like to urge on the minister the necessity of co-operation. Our provincial government propose, I believe, to go ahead and develop this power. It is one of the hopes of the future of New Brunswick that we should have cheap power to manufacture our pulpwood and our hardwood timber, which cannot be floated down the rivers and which is too heavy to ship by rail in the raw state; indeed, it should not be shipped out of the country in the raw state anyway. We have immense resources of hardwood timber that can and will be manufactured if we can get cheap power. That particular power site is the best in New Brunswick, possibly the second best in Canada, next only to Niagara. But it is an international waterway, and we must get storage rights in Maine as well as in Quebec in order to maintain a flow in the river, because at low water there is not a sufficient flow to permit the continuous production of power. It is a mighty river in freshet time, and there are great lakes available that can be dammed so as to hold immense quantities of water which can be used to feed the river in times of drought. I would urge upon the minister the necessity of co-operating with our government in the matter.

Mr. COPP: The present purpose of the provincial government is to develop a certain amount of power at Grand Falls, and that can be done without any international negotiation at all.

Mr. CALDWELL: That is, in the initial stages.

Mr. COPP: Yes. Speaking from memory, I believe about 40,000 horse power can be developed without any interference with either the state of Maine or the province of Quebec. If it is found desirable to go further by the building of higher dams or the storing of more water for flowage purposes, it will then be necessary to make arrangements with the state of Maine and the province of Quebec. The matter is being investigated by the provincial authorities through the Hydro-
11 p.m. Electric Commission there, and it has been taken up, I understand, with the Minister of the Interior as regards measurements, requirements, and so on. But I feel that no difficulty of the kind suggested can possibly arise in connection with the present development at Grand Falls.

Mr. CALDWELL: I thoroughly agree with my hon. friend, but I feel that it would not be advisable for the provincial government to proceed even in the initial stages of the development without the assurance that they can get these storage rights, because the ultimate aim is to develop much more power than can be developed from the natural run of water and from the storage facilities available in New Brunswick alone. If the initial development takes place without the understanding that we can get this water storage if we need it, there might come a time when, in order to further our project or to prevent its development from being heldup, we would have to make concessions that we would not wish to make. I am sure however that the federal department will co-operate with the province of New Brunswick in any effort along this line.

Mr. STEVENS: Would the minister be good enough to tell the committee briefly the exact position of the application with respect to power development from the Spray lakes in Banff National Park and whether or not he is considering its rejection in the interests of the preservation of the national parks—that is, free from industrial interference, and so on? That I think is the policy in the great national parks of the United States, and I know is the policy approved by a great many people who have given close study to the matter of the preservation of our national parks in their natural state. It is a very important question and one that really should be discussed at length. I merely hint at these things; the minister will recognize at once what I refer to. Without delaying the committee with tiresome details, I would just like to put my question in that way.

Mr. STEWART (Argenteuil): The situation at the moment is that there is before the department an application on behalf of the Calgary Power Company, who get their power from the Kananaskis falls on the Bow river. We have been carrying on hydrometric measurements on the Bow river, though we have somewhat delayed the work; however, that is somewhat apart from my hon. friend's question. There is no doubt that the Calgary Power Company will require additional power; indeed, their supply will have to be more than doubled if they are to meet the demands made upon them by the municipality of Calgary. They have made application for the Spray lakes basin as a storage reservoir. The park superintendent and park authorities are very much opposed to the development of this power within the park. I have a perfectly open mind upon it. I went to the park to see the place for myself and to get first-hand information with regard to the situation. As my hon. friend knows, we have a very large area appropriated for park purposes at Banff. There are several hundred miles of roadway through that area, and all kinds of scenery. The road leading up to Mount Assiniboia, which would pass this development, is not one of the most scenic roads one could find though the valley in the vicinity of Mount Assiniboia is undoubtedly one of the sights of Banff park. I am not prepared to say that this development would mar the appearance of the park to any considerable degree, but I have a great deal of sympathy with the idea that these areas should be preserved as playgrounds for the people, and anything that would impair their beauty or their interest I would feel like opposing. As I say, I do not think the development would interfere very materially with the park as such, in view of the fact that it comprises so many hundreds of thousands of acres and is characterized by such varied scenery. Since the application of the Calgary Power Company was received the province of Alberta has become interested in power development and they also have made a formal application for this storage basin. We have given them the same answer that we gave the power company; that we do not want to enter hastily into an agreement. The effect of the development on the

park, on its scenic beauty, and its effect also in the way of precedent for the future, are things which would have to be given very careful consideration. The Alberta government wish to verify the statement of our engineers and of the engineers of the power company as to the volume to be stored and the value of the storage basin for power purposes, and they intend to make an independent investigation on their own behalf. Of course, if the province wishes to enter into a hydro project, and if it is believed desirable to grant the request of anyone in this regard, the province would be given the preference. But though I cannot say that I think the scenery would be very much disturbed, the question of establishing a precedent is one which requires very careful consideration before a privilege of this kind is granted to anyone.

Mr. STEVENS: I would like to make a request of the minister. I have no particular right to do so, except that I am intensely interested in the general question of the preservation of the national parks. I would ask that nothing be done in this matter within the coming year so that ample opportunity may be given for pondering the question, for its consideration not only by the minister's department but by the public, who, after all, are really more affected than even the government itself. I gather from the minister's remarks that the power company still have some units that they can develop on the Bow river site, so that there is no need for great haste at this time.

Mr. STEWART (Argenteuil): And plenty of coal.

Mr. STEVENS: Exactly. Having these things in mind I think it would be a very fine thing if the government would declare that for a period of a year nothing will be done, and then in the interim let public opinion adjust itself and familiarize itself with all the circumstances. I think we would all be in a better position to judge of the merits of the case at the end of another year. On the other hand, I may say this, that even if there is a desire on the part of the government to come to an ultimate decision on it in the near future, personally I would hesitate before agreeing to this item without the privilege of discussing it at great length and threshing the whole matter out. That I do not wish to do at the moment, and I think if the minister could give the assurance asked it would be the happiest way out of the difficulty at the present time.

[Mr. C. A. Stewart.]

Mr. STEWART (Argenteuil): I think I can give my hon. friend at once that assurance. I am not in any hurry to deal with this particular question because I think it is of such importance.

Mr. BROWN: I should like to support the request of the hon. member for Vancouver Centre (Mr. Stevens). It is a matter in which I feel intensely interested. It is important that these national parks should be preserved for the public. Shortly before coming to Ottawa I was waited upon by some of my constituents who felt very strongly upon this subject. I think a policy should be pursued as would preserve these places of natural beauty as much as possible for the use of the people unimpaired, and I am quite satisfied that the public generally would very strongly resent the idea that these parks should be alienated from public use to serve the purposes of a commercial company.

Mr. EVANS: I should like to inform the minister that the whole Alpine Club of Canada is watching this application with jealous eyes. They believe there should be no interference with the Spray river park such as would detract in any way from the attractive and pleasureable features which make these national parks so desirable as playgrounds for the people. I think the government should formulate a policy respecting the national parks so that no unfortunate precedent would be created for the future.

Mr. SHAW: The granting of water power privileges on Spray lakes is, of course, a very important matter. The minister says that he does not want to establish a precedent. As a matter of fact a precedent has already been established because the Calgary Power Company hold water power privileges within the park area right at this moment. However, I do think this parliament should take definite steps to formulate a policy so far as the parks are concerned and determine finally whether it is the intention to allow industrial development within the park area. I think the matter should be carefully considered and then, in the light of the action that parliament takes, it will be time enough to determine what industrial development should be allowed. There is a further thing in connection with this particular matter. I do not believe that any private company should be given power privileges within the park. I think that whatever rights are going to be granted for industrial purposes should be granted to the provincial government or should be conducted under some system of government

ownership or government control. For after all while it is quite true as the minister has said, that the particular area around the Spray lakes is not now of much scenic value —except perhaps in the case of the lakes themselves and the Spray river falls—still if they were allowed to come under private control there can be no doubt that those interests would be primarily concerned in getting their money out of the project and getting it as rapidly as possible; whereas if the development were under government control the government would also be interested in maintaining the park value of the area involved in which the power privileges exist. I trust that the minister will not be hasty in granting the request of the Calgary Power Company. Under any circumstances I do not think it should be granted, but if the province feels that this is an enterprise which might profitably be undertaken without in any way imperilling that area as a park asset, then on that matter I will have an open mind; but certainly I would not support the application of the Calgary Power Company under any circumstances.

Mr. STEWART (Humboldt): There is one other matter I should like to call to the attention of the minister before we pass this item. He has made a statement this evening in regard to his general attitude or policy on reclamation projects, to the effect that he does not believe it is a good policy at this time to reclaim lands for their intrinsic value for agricultural purposes. In so far as that statement goes I am wholly in accord with the minister, but I want to point out the fact to the minister that there are large districts in western Canada where drainage projects have to be instituted if the land is to be properly settled. In these areas drainage projects have to be instituted and carried out before school districts can be established and roads built. Very often these projects are beyond the scope of the new municipalities within which they must be undertaken. In the province of Saskatchewan I am aware that the provincial government has made arrangements to take over enterprises of this kind, place them on a sound financial basis, and carry them to completion, making the land pay for the work put upon it when it has been reclaimed. However, it is a fact, and it can well be understood why this is the case, that these lands that have to be reclaimed are very largely lands that are still vested in the Crown, or that being in need of drainage have not been taken up by the settlers entering the country. Now, rightly or wrongly the opinion prevails in many of the districts where this drainage has to be carried out that the regulations of the Department of the Interior constitute a hindrance and make it very difficult for these schemes to be carried out by the provincial department of highways which has charge of them. The statement of the minister as to his being wholly against reclamation projects would perhaps lend additional colour to the complaints that are made. Therefore I think it would be only fair for him to state the policy of his department in that regard, and make it plain as to whether his department is endeavouring to do what it can to render easier the carrying out of these projects where they are absolutely necessary, or whether the departmental officials are placing all the hindrances they can in the way of permitting Crown lands to be included in reclamation projects.

Mr. STEWART (Argenteuil): No, the situation is quite the reverse. All these Crown lands that are found within a drainage area in which a province or municipality is desirous of establishing a reclamation scheme are sold at a dollar an acre—preferably to the province, I think altogether to the province because they take them in charge and they are to be sold under the same regulations as the school lands. However, every acre of Crown land that is found within one of these drainage areas can be had for the benefit of the area at a dollar an acre. Then, of course, provincial drainage laws affect the scheme. There can be no opposition on the part of the federal government. What I want to make clear is, that so far as the federal government is concerned I would not venture into the Waterhen project or anything of that character. That is what I want to make clear.

Mr. ROSS (Kingston): May I ask the minister, in regard to these measurements, if the results of the investigations are printed.

Mr. STEWART (Argenteuil): I can furnish my hon. friend with the flowage on each river.

Mr. ROSS (Kingston): The Madawaska and the Sydenham are the only two rivers I am interested in.

Mr. SHAW: In connection with the matter of reducing the staff, so far as dismissals have been necessary, is any priority given to returned soldiers? I understand that sometime ago the hon. Acting Minister of Finance (Mr. Robb) indicated that it would be the attitude of the government, so far as possible,

to see that returned soldiers were retained in employment if dismissals became necessary owing to reduction of staff. Does that same practice apply to the Water Power branch?

Mr. STEWART (Argenteuil): In the staff reduction which is going on, the practice my hon. friend refers to applies to a returned soldier, if he has the minimum qualifications. The returned soldier is given the preference, unless there is some very grave reason why it cannot be done.

Mr. McQUARRIE: Would the minister inform the House as to what the government's programme in British Columbia is for the coming year under this item?

Mr. STEWART (Argenteuil): I will be glad to give my hon. friend this same information in regard to the rivers in British Columbia.

Mr. McQUARRIE: Under this vote?

Mr. STEWART (Argenteuil): Yes.

Mr. McQUARRIE: You are going to measure the rivers set out in this list?

Mr. STEWART (Argenteuil): Yes.

Mr. McQUARRIE: Is there anything else on your programme?

Mr. STEWART (Argenteuil): No. These rivers are provincial.

Mr. McQUARRIE: I am asking what the programme is, and the minister hands me a list with the names of a lot of rivers, and that is the programme. Now that is not the programme, because other expenditures are to be made in British Columbia. I would like to ask the minister what that programme is.

Mr. MacLEAN (Prince): I am glad to see the reduction of $104,000 in this vote. I brought the matter as forcibly as I could to the attention of the House last year, and I stated that it was beyond the understanding of a great many people in the eastern provinces that those large amounts should be spent on irrigation, measurement of streams, geodetic surveys, boundary line surveys and so on. That expenditure is increasing every year. Now some of them, my hon. friend says, are good things. Well, some of them are. I understand from my hon. friends on the other side of the House that irrigation has been very beneficial. What we in the eastern provinces sometimes complain of is the development of water powers by this government or by any federal government. I think it is the province of any company that wishes to take up the matter to develop these water powers. Any company that would go into an enterprise of that kind should make their own surveys, I think. I am glad that we have a reduction of this item, and I am pleased to hear from the minister that in the course of a few years it will be wiped out.

Som hon. MEMBERS: Carried.

Mr. McQUARRIE: I understand the minister is getting information.

Mr. STEWART (Argenteuil): I cannot give my hon. friend any more information than I gave to my hon. friend from Simcoe (Mr. Boys). This work involves the measurement of the rivers to ascertain flowage, in some cases for irrigation purposes, as the hon. member well knows, because the investigation is a varied one. In some cases it may be for drainage, but in most cases for the development of power, to establish definitely what power we can develop on these rivers, and in order that, if development is necessary—and in most cases it is at least projected—you may have definite data. This work is not so many dollars spent on a certain river. I cannot give that detail. But there are $47,000 all told in this vote to be spent, I think, in British Columbia for the purpose of getting data for the power people in your provincial government, the same as in any other province.

Mr. McQUARRIE: That is absolutely not an answer to the question, and this document which the minister sent over does not answer the question; on the contrary it is something altogether different, and it so states. The heading is:

Rivers covering which studies have been made of power possibilities.

That does not answer my question at all.

Mr. STEWART (Argenteuil): May I tell the hon. gentleman again—and I hope this time he will remember—that it does not involve measurements for one year, or two years, or three years, or four years, or five years, or six years, or seven years, or eight years, or nine years, or ten years, or eleven years, or twelve years; but it is a continued study that must be carried on, if you are to have reliable data for the purposes for which the measurement is being made. Have I made it clear to my hon. friend?

Mr. McQUARRIE: I should say not. I am sorry the minister finds it necessary to lose his temper.

Mr. STEWART (Argenteuil): The minister has not lost his temper.

Mr. McQUARRIE: Well he gives a very good imitation of a man who has lost his temper. I do not think that I, or any hon. member in this group, have asked one question that was not a reasonable question, and one to which we were not entitled to an answer. I for one do not propose to allow these estimates to be railroaded through this House.

The CHAIRMAN: Order.

Mr. McQUARRIE: I did not suggest they had been railroaded through. I think my question is a fair one and I am not endeavouring to obstruct. There is no reason why I should obstruct, but I asked what the government programme was in British Columbia for the coming year under this item, and what do I get? I receive a list of names of rivers on which studies have been made. I submit, Mr. Chairman, that is not an answer to the question at all.

The CHAIRMAN: The hon. minister declares he has given certain information, and he is not required to repeat that information.

Mr. McQUARRIE: I do not suggest that the hon. minister is required to repeat the information. I do not want him to repeat it, because he has not answered the question. I am now asking for an answer to the question, and if the minister feels tired and cannot understand a question when it is asked, we can allow this item to stand over till another time.

Mr. STEWART (Argenteuil): Would the statement, that the definition at the top is misleading answer my hon. friend; that it is not merely for past measurements that he has the group of rivers, but for past, present and future measurements, the future covering, at the moment, only this year.

Mr. McQUARRIE: I will try again in another way. How much of this item of $547,000 is to be spent in British Columbia?

Mr. STEWART (Argenteuil): $47,000.

Mr. McQUARRIE: How is that $47,000 going to be spent, with the details?

Mr. PARENT: By handing the money to those who are entitled to it.

Some hon. MEMBERS: Carried.

Mr. STEVENS: I do not think the minister has treated the hon. member for New Westminster (Mr. McQuarrie) quite right. There is a fairness in the request, whatever may be said of any other question asked to-night. The request is for some details, which are usually given immediately, as to what is the intention in the disbursement of this $47,000. Let me point this out to the minister. I had no intention of bringing it to his notice, but I do not think it is fair for hon. members to call "carried" when an hon. member is asking questions, and it is not a way to facilitate the passage of items.

Mr. PARENT: It has been done in the past.

Mr. STEVENS: A statute was passed in 1913, I think, whereby the water-powers in British Columbia or in the railway belt were turned over to the British Columbia government for administration. That creates a situation in British Columbia unique and entirely different from that obtaining in every other province. While the federal government owns or controls the water-powers in the railway belt, it parted with that control under the statute to the province of British Columbia. If I recall correctly, British Columbia maintains a water-power department, or it did a few years ago, doing very much the same work as this department is doing. It is interesting to us to know just what this $47,000 of federal money is to be applied to. Is it duplicating expenditures by the province? Is it a necessary expenditure? Is it possible to dispense with this expenditure by the federal government, and under the statute to allow the provincial government to do this class of work? As a matter of fact, $47,000 may not be very much to some hon. gentlemen who are calling "carried" and such like, but it is a sum worthy of consideration. This is a good time to pause and examine. The request of my hon. friend is for some information how the money is to be expended.

Mr. STEWART (Argenteuil): In the first place, in order to answer my hon. friend as to co-operation, what he has said is perfectly correct. British Columbia, like the other provinces in Canada with which we are working in co-operation, is in control of its water-powers, and as to how far it is developing them, I have not the information.

Mr. STEVENS: That is not what I refer to. I mean the relinquishment of Dominion control of water-powers in the railway belt to the provincial government. That was by a special act.

Mr. STEWART (Argenteuil): I quite understand that; but this work, as my hon. friend well knows, is not confined to the railway belt; it covers the whole of the province. As in the case of the other province, I read a letter from Premier Veniot, perhaps a letter from Hon. T. D. Patullo,

Minister of Lands in British Columbia, would be of interest in order to give further information to my hon. friend. This letter reads:

> The subject of stream measurements is of such far reaching importance in the provinces where hydro-power is capable of being developed or irrigation practised, as both are in this province, that I am constrained to venture some remarks on the national aspects of the question.
>
> No resource of the country—not even agricultural or mineral lands—demands more careful investigation than the streams from which the water is derived for the development of power, for irrigation and for city water supply. While the physical aspects of agricultural and mining lands may be regarded as supremely stable the great water resources show daily, monthly and annual variations that require careful records extending over many years to demonstrate the quantities that may be depended on from any single source.
>
> To secure uniformity of measurement, computation and tabulation and to provide reliability in comparison of streams throughout the Dominion it is equally necessary that the data be collected and published by the central authority.
>
> If it is a matter of national importance—and it cannot be questioned—that agricultural experimental stations be established and other agricultural data be gathered and that geological surveys and investigations be made by the federal government, it is surely of equal national importance that a resource from which three and a quarter million horse-power are already developed and from which hundreds of thousands of acres of land are irrigated receive generous national support.
>
> So far as this province is concerned it may be pointed out that its industrial life depends to a very large extent upon water power, and the agricultural resources of the whole interior of the province are dependent upon irrigation from its streams.
>
> Handicapped to some extent by the lack of hydrometric data, the province, realizing the vital importance of stream measurement and gauge readings, was obliged to initiate the work some years ago. Apart altogether from any consideration of the national aspect of the question already referred to, the fact that many of its great streams and lakes were wholly or partly within the railway belt laid upon the Dominion the specific duty of investigating them. Accordingly it was arranged that the portion of the work which the province of necessity began was handed over to the federal organization, the province making an annual money contribution for the service in lieu of direct expenditure.
>
> In the efforts now being made for the reduction of national expenditures I trust that you will not permit of any change that will allow so necessary a service to be curtailed.

That is the view that the minister who is in charge of this work has of the question. I think in fairness to British Columbia, it has a right to receive the same treatment as the other provinces of Canada are receiving in this respect, and I wish to assure my hon. friend that none of this work is undertaken unless there is a direct arrangement with the provincial authorities so that no overlapping in expenditure is going on. I cannot give more definite data as to where work is being carried on than on the list which I passed over to my hon. friend, that is that we are making measurements on these streams for the very purpose mentioned by the minister, in order that reliable data may be had for development purposes.

Mr. McQUARRIE: According to the list, that work is done.

Mr. STEWART (Argenteuil): Yes, I do not know how many years we have been doing that, but most of this work has been under way for only five years. I do not know exactly how long because the minister intimates that the British Columbia government have been carrying on this work. Perhaps there are some streams on which the data is complete, that is, on which accurate, reliable measurements have been kept for a period of twelve years. In that case there would be little or no need of continuing; but my hon. friend will agree that there is a great deal of work in British Columbia upon which the measurements have not been carried on for that period and upon which we are still continuing that work.

Further, my hon. friend knows that a good deal of controversy has been going on between the federal government, the provincial government and the Indians with respect to allocation of reserves, and measurement work has to be done there, in order that data may be available because, while it is not part of the settlement, because the settlement is largely that of land, work is being carried on there as well, that would be embodied rather fully in the report which I handed to my hon. friend, giving the rivers on which the work is being carried on, because the work is confined to those.

Mr. McQUARRIE: To make my position perfectly clear, I want to assure the minister that I am not objecting to the expenditures in British Columbia or in any other province. I am simply endeavouring to do my duty in trying to get information as to how the money is to be spent. I am accepting the minister's statement to the effect that the work is going to be continued this coming year under an arrangement which has been or will be made with the province.

Mr. STEWART (Argenteuil): This is a continuous arrangement with the province and does not end in any particular year. There is a standing agreement between the province and the federal government for co-operation in this work, but my hon. friend should understand that reliable data of this character cannot be obtained under ten or twelve years. Perhaps there are some streams in regard to which the work is complete, but the great majority of them are probably

only half finished and measurements will have to go on for another period of years before reliable data will be completely secured.

Mr. McQUARRIE: How many years has this work been going on?

Mr. STEWART (Argenteuil): The agreement was executed on August 19, 1913.

Mr. McQUARRIE: That is to say, eleven years. How many years longer has it to run?

Mr. STEWART (Argenteuil): As long as both parties are agreeable to its continuance.

Mr. McQUARRIE: So that there is an arrangement under which the work is to be continued, and it is proposed to continue it this year. An arrangement, in other words, has been made or will be made as to all the work and that work will be confined to the rivers which were set out in the statement that the minister sent over to me. I think it is a commendable thing that the Dominion and the provinces should co-operate in such an important matter and I am not objecting to the arrangement. I hope the minister will not think that I am trying to harass him tonight or to obstruct his estimates.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.40 p.m.

Friday, April 11, 1924

The House met at three o'clock.

HOME BANK DEPOSITORS

Mr. JOHN MILLAR (Qu'Appelle): I desire to present a petition signed by 225 residents of the town and district of Welwyn, praying that the depositors of the Home Bank be indemnified.

UNITED CHURCH OF CANADA

Mr. STEWART (Hamilton): I beg to present the petition of the St. Paul's Presbyterian Church at Hamilton opposing the United Church of Canada Bill.

Mr. KENNEDY (Edmonton): I beg to present the petition of David G. McQueen and 1324 others, of Edmonton and surrounding district, opposing the United Church of Canada Bill.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the second reading of Bill No. 48, respecting the construction of a Canadian National railway line from Turtleford to near Hafford in the province of Saskatchewan.

Motion agreed to, bill read the second time, and referred to the Select Standing Committee on Railways, Canals and Telegraph lines.

CAPITAL PUNISHMENT

Mr. WILLIAM IRVINE (East Calgary) moved the second reading of Bill No. 3 to amend the Criminal Code.

He said: It is perhaps unnecessary to point out to the House that there are four crimes for which the death penalty may be imposed in Canada. These are treason, making war against His Majesty, rape and murder. I do not know whether it ever occurs that the death penalty is inflicted for the commission of the first three mentioned crimes. The bill now before the House deals with all of these crimes, and simply asks that capital punishment be abolished and life imprisonment substituted for the death penalty. The effect of the operation of the bill, if enacted, may be much more profound than that, but it is a very simple matter to understand the alterations in the law which this bill calls for.

On numerous occasions this question has been discussed before the parliament of Canada, and I observe from reading these former debates that the ethical and religious arguments which have been put forward have been considered very thoroughly. I am going, therefore, to confine myself largely to the argument against capital punishment from the historical and scientific point of view. First of all, I desire briefly to point out the basis upon which the present criminal code rests, and that basis is not very difficult to define. It goes back to the natural animal instinct of self-preservation and retaliation in order to preserve oneself. In the early days we had to kill or be killed; it was a crude, unintelligent struggle for existence. But as time went on the desire for retribution, for revenge, came into play, and there came into existence what was known as the "avenger of blood;" that is to say, one man of a tribe sought to avenge the death of another member of the tribe who had been killed. There was no thought of punishing the actual individual who had committed the crime, there was no thought of the circumstances; the only thought was revenge for what had been committed. This is known as the ancient lex talionis,—an eye for an eye, a tooth for a tooth. But by and by society took over the position of the avenger of blood, and that is the function which the Dominion of

Canada fulfils to-day by carrying out our present criminal code. Now, I hold, very strongly, Mr. Speaker, that a criminal code that is based on savage impulses and keeps in view savage aims cannot be expected to produce civilized results. We shall try in vain to achieve the ends of civilization through institutions that were devised for barbaric purposes. As to the basis of our present criminal code, history does not leave us any room for doubt whatever. Primitive man had absolutely no thought of deterrence when he imposed this penalty; but as humanity developed intellectually and morally, we found it incumbent upon us to find some rational sanction for the practice of taking the lives of other people, and so we said: We will take life for life on the ground that this will deter other people from committing crimes. I do not think there is in Canada any person who would advocate the death penalty to-day on the ground of revenge, which is the basis of our criminal code. Why then, we may ask, should we continue to keep in force an institution for the purpose of revenge when we seek some other purpose for carrying it out? I believe we can find a better way of gaining our ends.

Let us move to another point in the historic argument. Civilized man, as I have said, seeking a rational sanction for the imposition of the death penalty, decided that it must be considered as a deterrent. He thought it was less inhuman to kill a man when in doing so he reasoned that he was preventing other men from repeating the crime, than it was to kill on the basis of revenge. That is our civilized interpretation of the death penalty. So, when punishment was regarded as a deterrent from crime, in the early stages of that recognition we find that the death penalty was passed on all offenders, and it was carried out publicly and made as horrible as possible. This was the proper and logical thing to do, of course, for in order that the death penalty might be a deterrent, people would have to see the thing and know that it was carried out;—the more horrible it was made to appear, the more of a deterrent it would be, provided, of course, that it had a deterrent effect at all. So we find human ingenuity was exhausted in devising cruelties to impose on those who had committed crimes. But we have to say briefly that this method has proved a failure. Society has been forced to abandon all these cruelties; society has been forced to abandon the death penalty except in the case of homicide. In an article in the American Journal of Politics, in 1893, we are told that under the old Jewish law every crime save one was punishable by death. In England, in the eighteenth century, 160 offences were punishable by death, among those being that of stealing property. A man for stealing five shillings could legally be hanged, and very often in the early history of England people committing such crimes were hanged. Also, if a man held an opinion that was different from that of his church authorities, or different from that of the state authorities, as a heretic he was punishable by death. In the reign of Henry VIII alone, 72,000 people were hanged for crimes and offences of this character. The first relief that came to the people of Great Britain from this kind of punishment came through the colonies. That is to say, a man who had stolen five shillings had the option of going to Canada or some other colony or to be hanged, and sometimes he decided in favour of a new start in the colonies. That was the beginning of relief from this type of punishment in Great Britain.

Mr. McMASTER: Is the hon. member serious in suggesting that convicts were ever sent out to Canada?

Mr. IRVINE: I am merely repeating what is an acknowledged historic fact, that at a certain period of English history, the people of England, who were convicted of petty crimes, were given the option of going to the English colonies.

Mr. LAPOINTE: I think the House is entitled to hear this little conversation with the hon. member for Brome (Mr. McMaster).

Mr. IRVINE: I think it is our turn to have a little conversation in this end of the House. We have been trying to listen to a number that we have not heard throughout the session. The hon. member for Brome (Mr. McMaster) asked me if I was serious in suggesting that Canada ever received any such immigrants. I replied that I did not know whether Canada ever did or not, but I was merely referring to a fact in English history that there was a time when people sentenced for petty crimes were given the option of going to the colonies or of suffering the penalty of death. To-day, however, we find that these tortures and stupid penalties are very largely things of the past. To-day, there is an idea, at least, of seeking to reform criminals rather than simply to kill them; the death penalty has been abolished except for cases of homicide. Therefore the question that I wish to put to the House is this: If tortures and executions failed in the past in deterring criminals from the commission of petty crimes, is it reasonable for us to suppose that, in the major crime of taking the life of another, where this is frequently done

in the heat of passion, the death penalty would be a deterrent? As a matter of fact, society has abandoned the death penalty in all these other crimes; but for some strange reason society holds on to this penalty in the case of the major crime.

I think you will agree with me that the time is sure to come, if it has not come already, when we shall lay aside this method of dealing with criminals, not so much in the interest of the criminals—indeed, I am not going to plead in the interest of the criminal classes at all,—but in our own interest we ought to abolish this thing because it is degrading and demoralizing to humanity; it is an outrage upon the finest sensibilities; and, in addition, it fails to do that thing for which we impose it, it fails to deter people from the commission of any crime. When the death penalty was in full force for all petty crimes, we found that such crimes were much more frequent than they are to-day when the death penalty has been removed. Of course, I am not going to argue that this result is due solely to the fact that we have removed the death penalty for petty crimes; but I think while much of the advance may be due to improvement in economic conditions and to the development of a moral consciousness, yet the fact remains that these crimes were not stamped out by the imposition of the death penalty. If crimes are fewer to-day than they were in the eighteenth century, that is because intellectually, morally and economically the race has outgrown them, they were not stamped out by the imposition of the death penalty. I am reasonably certain that the same thing will be true of the major crime of homicide if similarly treated.

To sum up my first point, I would say that history leaves no foothold for those who claim the necessity of continuing capital punishment. The motive underlying the Criminal Code, was based on revenge, and we cannot secure a civilized end on a basis of revenge. In seeking a rational sanction for the continuance of the death penalty we have assumed that it is a deterrent, whereas history has proved that it does not deter inasmuch as capital punishment has been abandoned as hopelessly ineffective in relation to all the petty crimes for which it was imposed in Great Britain in the eighteenth century. We find that notwithstanding the death penalty crime prospered and cruelty obtained; so that eventually the death penalty had to be abandoned. Capital punishment has been abandoned in regard to all the crimes for which it formerly was imposed, with the exception of homicide, for which we now contend that it should no longer be executed.

I suppose it was natural that the death penalty should be retained for the major crime a little longer than in the other cases, but it is destined to pass just as it has passed in relation to all other offences. In the minds of those who have not given very much thought to the subject capital punishment is still believed to be to some extent a deterrent, and it is on this ground that we tolerate it at all. But keeping in mind the fact I have already pointed out, that history has repudiated it as a preventive of crime in all cases except murder, let us further pursue the argument from the scientific point of view. Let us consult those who have approached the subject from that standpoint. I think we ought in all fairness to call in the criminologists and penologists to help us to formulate our criminal code. I am sure that there are men in Canada who are closely in touch with all our criminal conditions who could give to this parliament some very interesting arguments against capital punishment, and it is a pity that we should not seek the best advice of those who are in contact with criminal life before we draw up any criminal law whatsoever. I believe that if we studied the work of criminologists a little more we should move towards the suppression of crime at its source instead of wreaking revenge upon the poor criminal after he has committed the offence. In order words, what we should be interested in is the prevention of murder and not the killing of some man for having committed murder. Our present method does not step in at all until the murder has been committed, when action is too late. We ought to look for some other way of dealing with the matter before the murder actually takes place, and I do not believe that this is an impossibility. The penal code of Canada, as of all other countries, should reflect knowledge rather than revenge. In this regard let me quote M. Boies, one of the modern criminologists. He says:

> It is manifest that criminal law and codes are sporadic growths of past social circumstances and necessities, without any consistent theory or principle; devoid of order, harmony or system. When any particular crime became prevalent or annoying to society a penalty was offset against it in the hope, which has proved vain, of preventing its commission through fear of penalty. Criminal codes as they exist are in the light of the twentieth century intelligence a conglomeration of penalties of various degrees of atrocity, irrationality, absurdity and inutility. They are the relics of blind social struggle against social evils useful chiefly as antiquities, to be collected with thumbscrews, iron boots, racks, and torture wheels in museums.

The cause of crime should have a direct bearing upon our treatment of criminals. If crime is of the nature of disease, as it is held by many criminologists to be, then it

should surely appear to hon. members an unpardonably stupid thing to punish a man for being diseased. If modern criminologists are correct in their general agreement respecting the causes of crime, then I affirm that it would be just as rational for us to prepare a prospective cancer patient to the graveyard as a means of curing him as it is to point the prospective murderer to the gallows for the purpose of preventing murder. Let us look for a moment into the question as to the causes of crime. According to the best modern authorities, crimes are caused in two ways, through hereditary influences and through environmental influences. The first influence, that of heredity, is like the seed, while the environment is the seed-bed into which that seed is cast. If a man is born with a weakness, mental or moral, and we provide the surroundings that are calculated to develop the inherited tendency, we shall have a criminal. Crime, therefore, is as inevitable a result as any other consequence of natural law, certain conditions being given. Hereditary weakness will lead to crime and the environment that is calculated to develop that weakness will produce the criminal. If that is so, then we have a tremendous responsibility which does not end at the end of the hangman's rope but which goes much deeper and should move in a different direction from that of capital punishment. The general conclusion arrived at by the modern student of this question is the absolute necessity of a comprehensive treatment of the whole body of criminal disease. The opinion is that we should treat criminals as we treat our insane or our diseased. Let me quote in this regard, very briefly, two or three writers upon the subject: Boies says:

> It is a penological law that pernicious heredity must be checked and corrupting environment corrected.

Marro, another eminent penologist, found that 52 per cent of all murders examined into by him were directly traceable to ancestors. Others say that from 50 to 72 per cent of crime is due to pre-natal causes, and the remainder to defective education and deleterious youthful environment. Garofolo says:

> That hereditary transmission of crime is established by unimpeachable evidence. It is a theorem of penology that crime is a diseased condition.

Suppose we assume, for a moment at least, that these gentlemen know something of what they are talking about, do we not see that when we think that we are preventing crime by means of the death penalty we are really in a fool's paradise indeed? There is no connection whatsoever between the crime and the punishment, and there cannot be, because if crime is caused by inherent weakness developed through environmental conditions, then no amount of so-called deterrence of this character will have any effect whatsoever, any more than it would have against physical disease. Let me give some practical examples which will tend to substantiate my claim from the theoretic standpoint. I would refer the House to the most famous investigation that has ever been made into this subject, that carried out in the case of Jonathan Edwards and of Max, the progenitor of the famous, or infamous, Jukes family.

There were examined 1,594 descendants of Jonathan Edwards. Of these 245 were college graduates, 13 presidents of universities, 65 professors and principals of schools, 60 physicians, 100 clergymen, 75 officers of the army, 60 prominent authors, 100 lawyers, 30 judges, 80 held public offices, some being senators, governors and mayors. Now, let us examine the family of Max, the father of the notorious Jukes family. Of the descendants that were examined 1,200 occupied penal and charitable institutions, and not one of them contributed anything to the public welfare. They cost the state about $1,000 each, or in all $1,250,000. There were 310 in poorhouses for an aggregate of 2,300 years; 300 died in childhood, 840 viciously diseased, 400 physically wrecked by their own wicked practices, 50 notorious prostitutes, 7 murderers, 60 habitual thieves and 130 convicted of various crimes.

Now, I do not contend, Mr. Speaker, that this case alone is sufficient to establish my point; but it should indicate to hon. members who may not have gone into the matter at all that this is the method by which our criminologists have arrived at their conclusion that crime is largely a matter of inheritance and of conditions of life. Let me substantiate this further by quoting from the Ottawa Journal of last night. In its report of the double hanging at London, Ontario, yesterday there appears the following:

> The gaol physician gave the two condemned men a glass of whiskey and morphine early this morning —"to make them cool and collected," he said. He added his previous claim that Topping had the mentality of a four-year-old. Mentally, he said, Murrell was normal, but had the morals of a four-year-old.

If there were other people in London or Ottawa who were simply four years old mentally and morally do you suppose that the hanging of those two criminals would have any particular effect upon them? Not the slightest in the world, because it is the mentally and morally deficient who commit crime. I do not suppose hon. members will consider that the hanging of those two men

will be a deterrent to any of us, because of course we assume that we are not going to be criminals; we are hanging those men for the benefit of the other fellows. But the other fellows are mentally and morally incapable of being impressed by this retributive justice. Consequently we are perpetuating an institution which does not accomplish what we expect. The hangman with his rope is just like the medicine man of old times with his incantations. We need physicians and psychologists to handle our criminals, not the hangman; we need eugenics rather than the gallows. As I said at the outset, we ought to try to prevent murder, not to hang murderers; and if we are to prevent murder we must start somewhat earlier with our preventive measures.

It will be seen that the conclusions of criminologists are borne out by the facts of everyday life. If crime springs from heredity and environment, then punishment can have no deterrent effect. History has shown hanging to be ineffectual and our daily experience confirms history. We have seen that when capital punishment was abandoned with respect to other crimes, those crimes did not increase. Now, homicide does not differ as to its cause from any other crime. An execution would have the same deterrent effect on a prospective thief as it would on a prospective murderer; in other words, it would have none at all. I shall endeavour to prove this from other sources, but for the moment I think we might turn our attention to other countries where capital punishment has been abandoned. Take Holland for example, and I select it because its population is not much smaller than ours. Holland abolished capital punishment in 1870, and homicide has been gradually decreasing, until the latest figures I have show a very marked diminution of this crime. In 1894 twelve were convicted, in 1897 nine, and the figures continue to decrease, until in 1902 only three were convicted. I have figures for only a few years with respect to Canada. Our population of course is a little larger than that of Holland. In 1913 there were twenty-three convictions for murder, in 1914 twenty-seven and in 1915 thirty-four. You see, the death penalty does not diminish murder in this country. On the other hand, in Holland homicide is decreasing. I am not arguing that this decrease is due to the abolition of capital punishment, indeed I should spoil my argument if I drew any such conclusion from the figures. I am arguing that hanging has no deterrent effect whatever. At the same time I give these figures to show that it does not follow that with the abolition of capital punishment everybody takes on homicidal tendencies. Holland is getting along very well indeed without the death penalty—better in fact than we are. I am seeking to prove that hanging does not deter the prospective murderer. In support of this I would quote from a volume on capital punishment which gives a very striking instance in favour of my argument

> On the 21st June, 1877, ten men were hanged in Pennsylvania for murderous conspiracies. The New York Herald predicted the wholesome effect of the terrible lesson. "We may be certain," it proclaimed, "that the pitiless severity of the law will deter the most wicked from anything like the imitation of these crimes."
>
> Yet on the night following the execution two of the witnesses at the trial had been murdered, and before the 5th July, five of the prosecutors had met the same fate.

Now, however that may impress hon. members, it is very clear to me that capital punishment did not deter the commission of murder in that case. The people who had criminal instincts went ahead with their programme, regardless of capital punishment.

Let us regard for a moment the latest murderer, if you like, that we have in Canada. I do not know for the moment who he is, but let us consider his motives. Do you suppose that before he committed murder he stopped to think of the gallows? Well, if so, it did not deter him, because he committed the crime. Let us suppose he did not stop to think of the gallows. Well, in that case also capital punishment did not deter him, since he did not think of it, There is a fact that stares us in the face. Here is another singular instance. Rev. T. T. Roberts, an English clergyman, consoled 167 murderers, and 161 of these declared to him that they had witnessed executions. Let me give you a short quotation from another and more modern authority. I quote a short passage from the statement of the warden of Sing Sing prison, who has been engaged in that work for twenty years and who knows criminals and knows their psychology pretty thoroughly. In fact, I would like to refer members of this House to our own Superintendent of Penitentiaries, perhaps one of the ablest men we could have holding that position in Canada. I think you will find that he does not believe in capital punishment; he does not believe in it because he understands criminals and crime. It would have been well, perhaps, had we discussed the matter with him before the debate came on. But let me give you what the warden of Sing Sing says:

> Social necessity is the only justification for capital punishment. Such social necessity does not exist be-

cause the figures show that capital punishment does not cut down the ratio of homicides to population.

Therefore, capital punishment should go because in the few cases in which it is carried out it is a futile and a cruel and a brutal thing to do. That term "few cases" is important so far as the U.S.A. is concerned. Warder Lawes shows that out of every eightly-five men who commit homicide in American states where capital punishment is in effect only one is actually executed. The murderer rarely considers—

Here is another thing for us to notice with regard to the psychology of the criminal:

The murderer rarely considers the penalty of his crime. In those rare cases where the future consequences do enter into his calculations he regards himself as almost certain to be one of the 84 who will escape death.

That is the word of the warden of Sing Sing. These facts all prove that the death penalty does not deter, and science shows us, as I have indicated, why it does not deter—because it does not touch the causes of crime at all. These facts suggest also that we are cruel and unscientific to maintain this method of dealing with criminals.

Some have tried to show that the abolition of capital punishment would decrease crime. They argue, of course, that crime flourishes where it is punished most vigorously, and they prove from comparative statistics that in countries where the death penalty has been abolished crime has decreased. They also mention the power of the suggestion on a weak man of taking life. They also emphasize the fact that even for the state to take the life of another destroys the sacredness of life, and some argue that when a certain type of criminal feels that he is fighting for his life, as he has to do when capital punishment is in vogue, he becomes a sort of hero and rather likes it. This is an interesting field of inquiry, but I am not going to follow it, because I am not interested in proving that capital punishment increases crime. As a matter of fact, I do not think it does; I do not think it has any effect at all. It has no more the effect of increasing crime than of decreasing it, and that is the point I am endeavouring to establish: it does not affect the criminal at all, but it does affect us. That, I think, is self-evident.

I want now, in order to prove this a little more clearly, to refer to statistics which I have here and which I collected from the United States. I wrote to the attorney general of every state in the union and to each of them I submitted certain questions. I will not bother you with going over all this long file, but I will just read the questions to you:

What is the punishment provided by law in your state for murder with malice aforethought?

[Mr. Irvine.]

If the sentence is death, what is the means of execution? If the sentence is death, has this always been the law of your state? If not, when was the change made and do you consider the change made an improvement or otherwise? If the sentence is not death, how long has the present law been in force?

Do you believe that the effect of the present law has been to increase or decrease this crime in your state?

Do you believe that the effect of the present law has been to increase or decrease the probability of conviction in cases where this crime has been committed?

Where the penalty is not death, does the prisoner do sufficient work to earn the cost of his maintenance and detention?

Is any provision made for the compensation of the injured family of the victim?

I want to quote just one or two replies to these questions, to prove my point that the mode of punishment does not affect the amount of crime. The attorney general of Nebraska says that in his opinion the punishment makes no difference whatsoever to crime, and from the state of Oregon also we are told that it has no effect, so far as the opinion of the attorney general goes. I will quote one more, that from the Secretary of State for Maine. He says:

My personal opinion is that the death penalty or life imprisonment has no material effect upon the increase or decrease of crime. I do not think the murderer takes the penalty for his crime into consideration when committing it. He also invariably plans to escape any penalty.

These are the opinions of people from the various states. Some of these states have capital punishment, some leave it to the option of the jury, some have abolished it, and from all of these the opinion has been given that it does not make any difference to the amount of crime whether you have capital punishment, whether it is left to the option of the jury to give life imprisonment, or whether you have life imprisonment. So I think it is reasonable, in view of the evidence at hand, to conclude that from the facts of history, from the scientific point of view and from the testimony of people living in our own age who have dealings with the criminal class, the mode of punishment has no effect on the criminal.

Mr. MARCIL (Bonaventure): May I be allowed to ask my hon. friend two questions? Can he cite the opinion of any attorney general in Canada favourable to the abolition of the death penalty for murder? And will he also give us the statistics of murders committed by foreigners in Canada?

Mr. IRVINE: As to the first question, I have not consulted the attorneys general of Canada in this matter because I did not suppose their opinions would be readily given if they knew I was going to advocate the

abolition of capital punishment. As to the other I have no data with regard to the nationality of the people committing crimes in this country, neither do I think that is relevant to the discussion. It does not matter to me who commits the crime, whether he is a Hottentot, an Englishman or a Canadian; that has nothing to do with the argument. It is true that the hereditary influences to which those from some parts of the world are subject may be such as to make them criminals more readily under certain environments, but I do not see that that has anything to do with our discussion.

Mr. MARCIL (Bonaventure): May I put another question? Would my hon. friend put the hold-up man or the bank robber in the category of those who are suffering from mental disease?

Mr. IRVINE: Most decidedly. The reason we have not robbed banks is that we have not suflered from the disease; if we had the same disease or weaknesses as those fellows who rob banks, we would be there now, I do not know that we deserve any particular credit for not having the disease. I do not suppose these men selected it; they have had it placed upon them both by hereditary influences and by environment, and now they are the victims both of the past and of the present. If we have no better way of dealing with these men than that of simply slinging a rope around their necks, then we are more miserable than they. That is my honest opinion in that matter.

Mr. MARCIL (Bonaventure): May I ask one more question and then I am through? If a man serving a life sentence commits murder in the penitentiary, what would the hon. member do in a case like that? That occurred in Montreal after a lapse of twenty years without a single execution.

Mr. IRVINE: If my hon. friend will permit me to draft the Code the way I want to do it, I will provide for such a case. At the present time he is only a murderer whether in or out of prison when the act is committed and I think perhaps if the proper thing had been done with him in the first place, he would have been in an insane asylum. But when we get the proper way of handling criminals we shall not simply commit them to gaolers, but have them examined by expert physicians and psychologists, and in every case we would provide a proper place where the man could be taken care of. I think that was not done in the case my hon. friend mentions.

I want to bring a friendly challenge to the Minister of Justice (Mr. Lapointe) and to any hon. members who may oppose this argument, and it is this: I think it is due to Canada as well as to this parliament, that if the nation is going to continue to occupy the position of the avenger of blood with regard to criminals, there ought to be no doubt whatsoever about the efficacy of the system in securing the civilized end for which we retain it. I want the Minister of Justice if he opposes this argument to bring the proof—not belief merely, no mere opinion, but I want him to bring the proof—that capital punishment has hindered one single criminal from committing a crime. I want that proof; I am not going to be satisfied with a mere believe in the efficacy of this old barbaric practice. Nothing short of absolute proof can be accepted as an excuse for Canada maintaining the death penalty and placing our nation in the position of an executioner.

Mr. PUTNAM: In arriving at what appears like proof, would the hon. member concede that the wiping out of all punishment would increase murder?

Mr. IRVINE: I do not think it would. I do not think that punishment has anything to do with crime, and I have been trying to establish that. But that does not mean that we ought to allow every criminal to run about loose. We must protect society. My point is that we ought to have a different method of treatment for the criminal. There is no necessity for the idea of punishment entering into the situation at all.

Now, what is it that we all seek to arrive at in our criminal code to-day? To put it briefly, what we are trying to do is to protect society. This is what we are aiming at; this is what our criminal code aims at. Now to kill the murderer certainly protects society so far as the murderer is concerned; he will not repeat his crime, at least not in this world. To that extent the present system is effective, but that is the only respect in which it is effective. We have to ask, then: Is there another method that will be equally effective, and that will not outrage our moral sensibilities as the present method does, and that will at the same time tend to deepen the idea of the sacredness of life? I believe there is another method, and that method is life imprisonment. I believe that life imprisonment will protect society better. It will remove the criminal from society just as effectively, in so far as his opportunity to commit murder

is concerned, as if we hang him; but it will do more than that. It will protect the individual himself from society. As a matter of fact, society exists for the individual. And yet under this present system it is not infrequently the case that the individual becomes the victim of society by being punished though innocent. I have a number of cases received from reliable sources in which the wrong persons have been convicted in Canada, but I shall mention only one, which I hope will prove my point in this regard. I refer to a trial for murder that took place in my own city of Calgary a short time ago. It is not necessary for me to mention the name of the victim, except it be demanded. The homicide was tried, convicted, sentenced to be hanged, and the date of execution was fixed. He was a poor man, and as the hanging day approached people began to worry about it—they always do when they know that at six o'clock tomorrow morning someone is going to be hanged. Any man and any woman with any imagination is bound to worry as the hanging day approaches. People began to worry about this man in Calgary: they were not sure that he had had a fair trial. The returned soldiers made a speedy collection of money to defray the expenses of an appeal. Appeal proceedings were accordingly instituted, a new trial was granted, and the conviction was set aside. Now, if the first conviction was correct, we have a murderer now running wild throughout the province of Alberta, awaiting the opportunity to kill another man. If, however, he was innocent of that crime, he escaped the gallows not by his innocence but by the activity of the returned soldiers of Alberta. That should be sufficient, I think, to prove to us the possibility of mistakes being made. Undoubtedly a mistake was made in one of those trials; I do not care which you say it is. But I want to point out this: It is the abhorrence which juries, judges, and people alike have for the imposing of the death penalty that militates against securing convictions. I think you will agree with me that the public opinion of Canada is not behind this method of punishment, and as a result it is quite possible that men who have committed murder are still at large and that society is not protected. If, on the other hand, we had life imprisonment there would be less difficulty in securing convictions and society would be better protected than under the present system.

I would urge this point. If we had a life imprisonment penalty the individual would be protected to some extent against the mistakes that are possible under any system. As it is now, the wrong man may be hanged, and at the same time the guilty man may go free. Life imprisonment is a better protection for society, because it will increase the number of convictions and the criminals will not be at large.

I want to give just a brief quotation from the Governor of Wisconsin, not the present Governor, by the way. In a letter to John Bright, he said:

> The evil tendency of public executions, the great aversion of many to the taking of life, rendering it almost impossible to obtain jurors from the more intelligent portion of the community, the liability of the innocent to suffer so extreme a penalty, and be placed beyond the reach of pardoning power, and the disposition of courts and jurors not to convict, fearing the innocent might suffer, convinced me that this relic of barbarism should be abolished.

The Governor of Michigan says:

> Before the abolition of the death penalty murders were not infrequent, but convictions were rarely or never obtained. It became the common belief that no jury could be found which would convict. There can be no doubt that public opinion sustains the present law and is against the restoration of the death penalty. Conviction and punishment are now much more certain than before the change was made.

Let me give quotations from John Bright and one from Robespierre. John Bright says:

> Whenever you hang a man in the face of the public under the circumstances to which we are so accustomed in this country, if you do in the slightest degree deter from crime by the shocking nature of the punishment, I will undertake to say that you by so much, nay by much more, weaken that other and greater security which arises from the reverence with which human life is regarded.

Then Robespierre says:

> The legislator who prefers death and atrocious punishment to such softer methods as are in his power, outrages public delicacy, blunts the moral sentiment of the people he governs, like an unskilled teacher who, by the frequent use of cruel chastisement brutalizes and degrades the soul of his pupil, in that he weakens and exhausts the resources of government, by stretching them with too much force.

So that I contend, Mr. Speaker, that life imprisonment should be substituted for the present penalty of capital punishment, and that such action would be much better for the criminal himself, relieving him from any possible suffering at the hands of society, and it would protect society very much better.

Let me mention in passing a number of countries that have abolished capital punishment. I have pointed out that Holland abolished the death penalty in 1870. Belgium has had no executions since 1862; Norway no executions since 1870, and I think they abolished capital punishment in 1902; Sweden has almost ceased the practice; Denmark has had no executions for many years;

Switzerland abolished capital punishment in 1864, Portugal in 1867, Italy in 1899. The state of Michigan abolished the death penalty in 1847, Rhode Island in 1852, Wisconsin in 1853, Maine in 1887 and Kansas in 1907. These countries are just as well protected as we are, and perhaps in some measure better protected, because the abolition of capital punishment is protecting the best sensibilities of the community as well. My point is fully admitted if we say that these countries are as well protected as we are I believe that it is useless and harmful for us to maintain this irrational and inhuman method as a protection when facts prove that society can be equally well protected by a method less harmful to the morality of the nation. I plead then for a repeal of the present law as it stands, and the substitution of the measure that I have presented. Let me repeat: It is in our own interests that I am making this appeal; it is not in the interests of the criminal alone, but in the interests of the general public. With our present public press and with the imagination developed to a high degree, hanging is really more public to-day than it was in the days of John Bright and Robespierre. I think I should have to apologize to the House for presenting a press report of the hanging which took place in Montreal last week. I think perhaps the writer of this is doing a good service in shocking the public into a recognition of the effects of that law which they are silently endorsing, if not openly endorsing. The heading of this article in large letters is:

GOOD-BYE FOREVER

Were last words of Wilfrid St. Onge on scaffold.

Youthful condemned murderer paid death penalty for his crime at 7.49 this morning at Bordeau jail. When black cap was fitted over his head, he said, "I ask pardon from God for any harm I have done."

Then it goes on:

Wilfrid St. Onge, murderer, paid the extreme penalty for his crime at 7.49 o'clock this morning when at Bordeau jail, Hangman Ellis pulled the lever which hurled the condemned man into eternity. And until sunset to-night there hangs limply from the jail tower a black flag, telling the message to the world that justice has been satisfied.

It was one of the most successful executions ever carried out in the province of Quebec. Not a hitch occurred to mar the smooth movements performed so many times by the officials, that there was little chance of failure. There was an air of solemnity; an atmosphere in the white-walled corridors which reminded those present of the majesty of the law.

And in adjoining cells, only a few feet away from the grim scaffold upon which any man condemned walks only once, are three other condemned prisoners, awaiting their summons to that which lies beyond.

And it goes into a description of all of the hanging and then the article proceeds:

Meantime in the rotunda of the prison there formed up the solemn procession. Two court officials in black robes and flat-crowned hats, draped with crape intertwined with red, carrying the staffs of office, led. Then came Sheriff Lemieux in purple, Governor Seguin in uniform, and the men who later were to render a coroner's verdict.

They marched quietly and quickly up the narrow stairway leading to the death cells. There Father Lessard was praying; there Hangman Ellis wearing a morning coat, saw that all was in order. St. Onge was ready. Preceded by two guards he stepped from his cell, and during the very few seconds it took him to go to the scaffold—only eleven steps—he said in French "Good day. Thank you." And as he raised his hand in salute "Good bye forever."

He stepped on the trap, and while the executioner placed the fateful black cap over his head, said in a firm voice: "I ask pardon from God for any harm that I have done."

Beginning the Pater Noster as the noose—of three-quarter-inch white manila rope—was being adjusted and the straps placed about hands and feet, a sudden sound of falling, a deep gasp, and Wilfrid St. Onge had gone to meet his Maker.

And then a note to bring out in relief the main points of the hanging:

Father Lessard claimed the body immediately after the inquest. This means that St. Onge will be buried in the potters' field. The laws of the church forbid his interment in consecrated ground and if the body had not been claimed it would have found its final resting place in the jail yard.

All the prisoners in the jail were locked in their cells preceding the execution. The first two to be let out were those who had been deputed to carry the body to the mortuary.

A new rope is always provided for each hanging. This one was of three-quarter-inch white manila, very strong. It was afterwards cut up and distributed to souvenir hunters.

Hangman Ellis said that with a man of St. Onge's weight a drop of more than seven and one-half feet would have torn the head from the body. He figured that the pressure as the rope became taut was equivalent to 1,200 pounds.

The jury was of the usual number for a coroner's inquiry. The evidence included reading of the Court of King's judgment, the declaration by Governor Seguin that the body was that of St. Onge, and the doctor's report that death has been caused by strangulation. The seven men on the jury were John Phillips, Douglas R. Phillips, John B. Phillips, Emile Benoit, Maurice Gendron, Louis Francoeur and James R. Watson.

Among those present was a man who had previously witnessed twenty executions. The story is told of him that when he went to the first hanging he bought a black tie. He painted a red stripe on it, and has worn it at every similar event since then. This morning, after he returned home he added the twenty-first stripe.

This is from the Montreal Herald of last week. With that kind of publicity, hanging to-day is just about as public, by the aid of our imagination, as it was in the eighteenth century. I am grateful to that scribe for having placed so graphically before the people of Canada that thing we are sanctioning by law by our inactivity, and I trust that those of us who have felt hurt inwardly at the reading of it will to-day take the step which will make it impossible for

any other reporter to repeat that in the history of Canada.

Let me then just refer to the argument in favour of public opinion. I will not detain the House by going through it all, but I will merely refer to numerous resolutions which I have here from labour unions, theosophical societies, from the Society of Friends and women's organizations all of which ask for the abolition of capital punishment. Let me refer to the press also. Such papers as Social Welfare, the Ottawa Citizen, Christian Science Monitor, the New Statesman, and so forth all declare that the time has come for the abolition of capital punishment. Let me just hold before you a petition with thousands of names signed by people throughout Canada asking for the abolition of capital punishment.

In conclusion, let me say that from those who, regardless of a proofless position, still hold that capital punishment is a deterrent, one might anticipate an argument such as was put forward by Lord Ellenborough in 1823 in the House of Lords. They were seeking to abolish hanging for stealing. At that time they could hang a man for stealing five shillings. When the bill same up, Lord Ellenborough spoke against it and said:

> Your Lordships will pause before you assent to a measure pregnant with danger to the security of property. The learned judges are unanimously agreed that the expediency of justice and the public security require that there should not be a remission of capital punishment in this part of the criminal law. My Lords, if we suffer this bill to pass, we shall not know whether we are on our heads or on our feet.

Subsequent history, of course, has proved that the noble lord was then standing on his head. It is to be hoped that no hon. member of this House will stand with him to-day.

May I be permitted to sum up very briefly? History traces the roots of the motive for the death penalty back to the savage instinct of retaliation and revenge; no one will defend the present criminal code on the ground of its undoubted origin; the rational sanction which our humanitarian instincts have compelled us to find as a justification for this barbaric practice of execution, namely, the deterrent theory, we have seen to be, from the evidence of science and from the facts, reductio ad absurdum. We have the proofs that society can be protected better by life imprisonment; that this method would protect as well the public mind from the brutalising influence of taking life, and I have shown that public opinion is prepared for the change proposed in this bill.

Upon these grounds, I rest my argument. The fate of the bill will depend upon whether

[Mr. Irvine.]

the mere momentum of a practice that cannot be defended on historic, scientific, moral or practical grounds, shall carry us, or whether this House reaches a decision through the highly humanized intelligence which it undoubtedly possesses.

Enacted law is the register of nationl progress. What this House decides on this measure will indicate to the world both the moral and intellectual progress of this country. By our vote we are going to say to the civilized world what o'clock it is on the timepiece of our evolutionary process.

Mr. PAUL MERCIER (Westmount-St. Henri): Mr. Speaker, if, for the purpose of judging the merits of the question now before this House, one is transported to the sorrowful scene, on the day when a condemned man pays his debt to society, surely one's emotions are moved and one's judgment is greatly affected. Pity, touched to the supreme degree compels one to say: "The death penalty is indeed terrible to undergo. What a dishonour to a man and his family. Life imprisonment should be sufficient, much to be preferred. Our law makers should strike this penalty from our criminal code." On the other hand, Mr. Speaker, on leaving the confines of the prison immediately afterwards, our mind and our judgment are aroused once more to the great aspect of the nation. One then realizes that the country claims to-day from the legislator more even than ever in the past, the true social securities under which it has always been protected.

I submit respectfully, Mr. Speaker, that the death penalty is one of those securities that the legislator still owes to society, and that it must remain in our criminal statute as the penalty for those crimes to which at present it applies. In passing, let me say, Mr. Speaker, it is interesting to note that in these times, reformers are more numerous than ever before. Everything under the sun is to be made over. Our constitution, to more than one, seems to give little satisfaction on certain points. Our laws are too severe. Sports and popular recreations become unrestrained and must be continually investigated and regulated. Nevertheless, common sense invites us, in these difficult afterwar days through which we are struggling, to take advantage of every parliamentary and popular liberty which Providence has bestowed upon us. The time has not arrived, in my humble opinion, for any futile reforms of the fundamental principles of the Canadian people, and of the laws which are actu-

ally in force and which have survived up to this present year 1924.

Mr. Speaker, we must in our capacity as representatives of the Canadian public, do everything in our power in order that these constitutional principles may remain in their existing form and in their probity. After all, the anxious soul in the land demands the continuation of capital punishment, and for the following reasons: Together with outstanding jurists who have carefully studied this question, this proposition of the right to punish, and of the application of the death penalty, I maintain the death penalty is necessary and legitimate—necessary assuredly in preventing any second offence on the part of the culprit. Does it not strike with terror to the supreme degree anyone who dares to think of it? No other punishment in our criminal code is comparable in this respect.

I understand that proponents of the abolition of capital punishment contend that depraved criminals do not dread mounting the scaffold; that the dishonour of a life continually passed in perpetual imprisonment and hard labour are to them infinitely more terrible. To these claims, Mr. Speaker, I answer: You, partisans of the abolition of capital punishment, go to the first penitentiary which you may find along your way. Propose to the condemned to exchange the fate which they await for any other punishment on the statute. Offer then to these men to exchange for the scaffold any other punishment, whatever it may be. The condemned to death will receive you with open arms, and those condemned to life imprisonment will recoil with terror, and cover you with their maledictions, asserting that you have no right to change their sentence. Moreover, I will add, under the cover of humanity, pity and compassion, attempt to send to the scaffold a prisoner condemned to hard labour for life, and immediately public indignation will raise a great agitation against that irony.

The zeal which is displayed by the proposer of this bill and the adversaries of capital punishment, in now demanding its abolition, shows the actual terror with which it inspires them, and if this terror appears so heartfelt in those who are not affected, surely it is ridiculous to pretend that it will be felt less in the minds of criminals who are directly concerned. Therefore, it is necessary to society. Again, any citizen in these days of plunder now disturbing city and country, would await with fear the abolition of the death penalty, and would strongly disapprove of our adopting this bill in this House. Every member of this House knows that in these times, a man may be murdered for twenty cents; farmers, traders, bank clerks and messengers are robbed, and if they resist, they are murdered without pity. Jealousy and passions unrestrained are the causes of many crimes. The death penalty, ancient and terrible though it may be, is still the strongest check in the hands of the legislator, against serious crimes, to assure to society that protection to which it is entitled. Charles Lucas, a French jurist of the nineteenth century, and an adversary of the death penalty, in his book entitled "Regarding penal system and the repression system in general, and the death penalty in particular" says:

> Every political institution has for its end not to invent, neither to create the right to command, for this right pre-exists in its relative superiority; neither to establish the duty of obedience, for this duty pre-exists in its relative inferiority; but to discover the right where it lies, and to give to it its proper place. It belongs to the highest spirit, to the most lucid mind to understand what are the essential duties for the maintenance of the social order. This being, alone or as a company, it matters not, is called the legislator. The right to command is his and it is his mission.

Is it not true, Mr. Speaker, that the legislator must necessarily protect the society and the individuals who respect his orders, and take proper precaution? The guilty must expect to suffer the consequence of his guilt. It is punishment in perspective. I do not claim, Mr. Speaker, that this punishment should be undergone by the guilty solely for the purpose of reforming him. But, on the other hand, I insist on saying that this punishment is inflicted as an end to maintain public peace, good order and morality, and out of respect to the laws and regulations, which are the corner stones of our social relations. The intervention of the law giver is not only legitimate, but also absolutely necessary. He has the right to command and to exact obedience. He has the right to punish. He punishes to prevent the repetition of misdemeanors like those which have been committed. His acts are beneficial to the country at large and it seems that this is his social mission. After all, a man must expect to expiate his crimes; this is only just and legitimate. However, I admit that the legislator has a right against the delinquent, only in so far as there is a moral fault on his part, and in direct proportion to that fault. Our passage through life, our relations with our equals, go to show that every individual has certain duties to fulfil to God, to his fellow man and to himself. Only his duty to his equals falls under the protection of the penal code. The commission of crimes and misdemeanors logically demands the infliction of appropriate punish-

ment and as a consequence the legislator must consider the penalty, not in the degree of the moral perversity of the crime, but according to the measure necessary to its repression. Murder cannot be recognized with leniency if every right thinking man wishes that the temple of society shall remain standing, and desires that civic and constitutional liberties now enjoyed shall live forever.

Punishment, Mr. Speaker, in my humble opinion, is that the guilty pays with his life, if deliberately and with no extenuating circumstances before the eyes of inviolable justice, he has taken the life of a fellow citizen who lately lived in peace and had the same right to live by the inestimable gift of his Creator. The intervention of the legislator is then absolutely necessary; the death penalty which he imposes is just and legitimate. There had been a moral fault and the guilty must be punished in proportion to the fault.

Nevertheless, it is comforting to see, Mr. Speaker, that in Canada there are fewer murders than elsewhere, Mr. de Quiros, in his book Modern Theories of Criminality, contends that statistics show that criminality of blood leads all other forms in intensity. Then, he refers to a table giving the ratio of homicides of all degrees, for every million inhabitants, to wit:

Mexico	1,000
Chile	340
Argentine Republic (maximum in the state of Tucuman)	230
United States of America	120
Italy	95.1 to 9°
Spain	74.1 to 77
Hungary	74.1 to 7[illegible]
Roumania	38.1 to 47
Portugal	23.1 to 26
Ireland	23.1 to 26
Austria	23.1 to 26
France	14.1 to 17
Belgium	14.1 to 17
Switzerland	14.1 to 17
Russia	14.1 to 17
Denmark	14.1 to 17
Sweden	11.1 to 14
Germany	3.1 to 11
England and Scotland	5.1 to 3
Holland	5.1 to 3
Canada	2.6

Yet, must we attribute the one-third of that ratio to foreigners? In closing, Mr. Speaker, I have the right to say with Lord Beaconsfield:

> The black cap or any other symbol of public execration is absolutely necessary to satisfy public conscience and good morals.

I will vote against the bill.

Mr. HANCE J. LOGAN (Cumberland): I must admit I have changed my opinions in reference to the question of capital punishment. At one time I believed very firmly it was for the benefit of the state and for the protection of society that a man who had committed murder should be hanged. I am bound to say I have come to a different conclusion for many reasons. I am not influenced by the argument of the hon. member for East Calgary (Mr. Irvine) as regards either eugenics or psychology; and I refuse to be influenced by the eloquent remarks of my hon. friend from Westmount-St. Henri (Mr. Mercier). The arguments of the latter would apply to that period of history, not so long ago, when men were hanged for sheep stealing. The hon. gentleman says we are making things over. Why, certainly we are.

Without going into the details of the matter, I may say briefly my main objection to capital punishment is the difficulty of securing convictions for murder in Canada so long as this punishment is imposed. It is almost impossible in many cases to secure a conviction for murder for the reason that the jury has the gallows continually before its eyes. I remember, if I may be pardoned a personal reference, a particular case in which I happened to be engaged myself. A woman was on trial charged with the murder of her child and there was practically no evidence for the defence. It was very plain she was guilty, and I must say my address to the jury consisted, as far as I thought the judge would permit me to go, in visualizing to the jury the horrible gallows. The jury returned, after about five or ten minutes' deliberation, with a verdict of not guilty, and the accused walked out of court a free woman, unpunished. Had capital punishment been abolished I have no doubt they would have found her guilty of murder, and she would have been punished by imprisonment.

A gunman does not fear the rope. When gunmen of the type of those who committed the horrible crime in Montreal last week shoot down their victims, they do so with utter disregard of any punishment that may befall them. Indeed, they may have in the back of their heads a certain sense of security because of the difficulty to-day of obtaining in our courts a conviction against a criminal charged with murder. In my own constituency, there has not been a hanging for sixty or seventy years, although there have been many trials for murder during that period. For some reason or other none of the accused were ever convicted.

Mr. CARROLL: They were defended by a good criminal lawyer.

Mr. LOGAN: Thank you. But there are other objections to hanging. There is that

sloppy sentimentality which surrounds the criminal who is about to be plunged into eternity, which manifests itself in people sending the condemned man bouquets, and weeping in front of the gaol and in the preaching of sermons deploring the pending execution. In a word, the condemned criminal becomes a hero in the eyes of these sentimentalists. His case would not excite such sympathetic interest were he condemned to imprisonment for life with hard labour. I am not in favour of indiscriminate whipping, but there is no doubt that gunmen are cowardly at heart and have a wholesome fear of whipping and of hard labour. In many cases their crimes are in the main due to their desire to evade honest labour. Lacking the means to indulge themselves in laziness and luxury, they resort to desperate expedients.

My hon. friend (Mr. Irvine) has discussed the matter very thoroughly and quoted many statistics. I confess I am not very much impressed by figures. I am simply speaking as one who desires to see criminals punished—not made heroes of because perchance their life is to be ended by the hangman's rope. I desire to secure a law that will prevent crime and not produce maudlin sentiment. For these reasons I shall support the resolution.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, I think the hon. member for East Calgary (Mr. Irvine) has presented a very convincing case, but I do not agree entirely with everything he has so eloquently said. When we come to deal with individual responsibility we enter a very large field of speculation in which it is very difficult to draw any precise line of demarcation. It is perfectly true, as he argued, that people should be punished according to the light which they possess of the right or wrong of their actions. But I am afraid that in this very imperfect world a great many of such cases will have to be left to the final Judge over us all who can do no wrong. In the meantime we must endeavour to mete out justice to the best of our ability.

We sometime hear the phrase, "Sombre as a judge." I ask hon. members, if they were called upon under any circumstances to carry out the death sentence, would they undertake to inflict what they considered to be a just penalty? I have no hesitation in saying that not a member within range of my voice would undertake that duty, no matter how just he might consider the sentence to be. Then why should we depute some other individual to discharge a duty which we ourselves would not perform? Sombre as a judge! I remember a little over a year ago sitting beside one of the judges of the Supreme Court of Manitoba. It was a festive gathering, and he was set down for a speech. He had been presiding at the fall assizes where he had tried several cases of murder. He did not discuss with me whether the sentence imposed was right or wrong, but he remarked that "Sombre as a judge" had a terrible meaning for him because of the tremendous responsibility he had to accept in ushering another mortal into eternity.

Punishment for wrong-doing—where do we begin and where do we stop? That is one of the most difficult questions to answer, for the punishment cannot be confined solely to the murderer. When you have punished him, is the punishment concluded? By no means. His wife and family and his other relations and friends are more or less affected by the same sentence. I think that no one premeditating murder ever thinks that he will be brought to justice. If he does, he has also schemed a means by which he expects to escape the gallows. Consequently the fear of hanging will not deter him from carrying out his desperate design.

I am inclined to agree with the hon. member (Mr. Irvine) that most criminals are more to be pitied than blamed. At the same time I do not believe in any sloppy sentimentality that would crown them with garlands and indulge them with an easy life at the expense of hard-working, law-abiding people. I would certainly want to see them punished for their crimes, but in such a way that the punishment, as I said, will have some relation to the measure of their ability to distinguish that which is right from that which is wrong. All students of criminology and of eugenics tell us that the mentality of individuals varies within a very wide range and, as has already been stated, it is quite possible for an adult to have the mentality of a child of four, six or twelve years of age. These things should always be taken into consideration in judging of the guilt of any human being. At the same time society must be protected. As has already been stated, many a criminal might be found to be more fitted for the lunatic asylum than for the jail if the condition of his mentality were properly understood.

Another thing that is noticeable—and I say this with a good deal of hesitation—is that very few people of wealth have ever been hanged. Look over to the United States and think of some of the cases you know of there: If the criminal has wealth and influence behind him he never pays the supreme penalty. Why should it be that justice is meted out to one class of society in one way and to another class in another?

I have thought seriously upon this question. Last session was the first time it had been brought to my attention. I had no ideas upon the subject; it was one of those things which I would like to have evaded, upon which I would like not to have been required to make a pronouncement either for or against. But I want to say to hon. members that it is rather cowardly to take that attitude on a question so tremendously important as this. It is no joking matter; it is a matter of life and death, and every one of us ought to make up his mind on the question whether capital punishment ought to prevail or not. By all means let every step be taken to protect society in every possible way.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, I am not anxious to speak on this question; I do so only because I feel it a duty. During the years that I have been in the House I have never evaded this question when it came up for discussion. I am absolutely opposed to capital punishment. I have yet to learn either from statistics or from argument that it is a deterrent, much less a preventive, of murder. We can only judge by results. If we take the countries in which capital punishment has been abolished and make a comparison in that country between the period when capital punishment was in vogue and a similar period afterwards, it will at least be found that crime has not increased.

Now, I am not a slushy sentimentalist, and I have no pity at all for the murderer. I am not going to discuss the psychology or the eugenics; I am going to take it for granted in my few words that the murderer was fully sane when he committed the deed. I want to ask, what good does it do anybody to kill him? The first answer will be that he is killed to protect society. Could not society be protected just as well by shutting him up? If he be killed in revenge—and I am afraid that is in a great many people's minds—then we absolutely revert from the Christian era and go back to the time of "eye for eye, tooth for tooth;" we assume to assemble ourselves as a court of justice when in reality we are assembling as a court of barbarians. The treatment of criminals in general is undergoing a change. One of the most cruel things, to my mind, in our daily Christian life, if you call it that, is to find that society with all its embellishments, professed Christianity with all its enlightenment, gives comparatively little or no encouragement to the man who has been guilty of crime and is trying to make good. I have the honour to be at the head of an association which has as part of its work the re-establishment so far as possible of men and women who have been convicted of crime. When one sees the shrug of the shoulders and the refusal of really pious men and women to give the unfortunate who has fallen down temporarily a chance to recover himself or herself, it makes one doubt the efficacy of what we call Christianity. If Christianity does not mean taking the erring brother or sister by the hand and endeavouring to show him or her a better way, then it is meaningless, and we have been following something that has no tangibility.

I have been asked this question: "You have such an apparent sympathy with the murderer; what about the murderer's victim?" Now, will any person tell me again what benefit accrues to the murderer's victim or to his family by taking the life of a murderer? What possible benefit accrues to them? Nothing, except it be that "revenge is sweet," and the state has taken to itself the power to execute that vengeance. Is there not a better way? Would it not be better for society, would it not be better for the family of the victim, if the murderer were placed in a penitentiary and made to labour the rest of his life and contribute the benefit of that labour to the family of whose bereavement he is the cause?

Mr. PELLETIER: But if he escapes from the penitentiary?

Mr. GRAHAM: Then our justice again is weak, because it will be our fault if we allow him to escape.

Mr. PELLETIER: He is apt to do the same thing over again.

Mr. GRAHAM: True, there are exceptions, but I think my argument holds, that in the main if benefit is to come to the victim's family it can in no wise come by taking the life of the murderer. But on the other hand some return can be made, some recompense—material it is true—can be offered to the family of the victim if the cause of their bereavement is made to labour in their behalf the rest of his life under state supervision.

I do not want to labour this question. I cannot for the life of me, feeling my responsibility, not as a member of the House but as a member of society, get away from the fact that has burned into my soul, that notwithstanding all the laws man can make I still am responsible in a measure and am my brother's keeper. That being true, if

means can be evolved by which society will be protected—and that is absolutely the only legitimate reason for punishment, the protection of society—if society can be protected as well by life imprisonment as it can by a second killing, then I say let us adopt the life imprisonment.

But there is another thing. Innocent men have been hanged, and they have been hanged in Canada. Now would it not have been better if the innocent man had been imprisoned for life, and was in a position where the state could make restitution so far as possible for the wrong done to him?

Perhaps there is even higher ground than that. Mankind is universally good. There is something good in every one of God's creatures; there is no question about that; and if, society being protected all the time, an opportunity may be given to the criminal to make himself right not only with his Maker but with the rest of humanity, is it not wise and in the interests of the world that that opportunity should be given?

There is another thought that comes to my mind, and it has been very forcibly expressed by the hon. member for Cumberland (Mr. Logan). I have said that innocent men have been hanged. There is no doubt in the world also, that guilty men are abroad in the land to-day. Why? For the reason given by my hon. friend from Cumberland, because jurymen dislike very much to take the responsibility of sending to the gallows a man as to whose guilt there may be the least shadow of a doubt, and they have in consequence erred the other way. I would do it myself if I were on a jury. I say that society is not protected nearly as much by maintaining the death penalty as it would be if the death penalty were abolished. I feel that I am not a sentimentalist at all on this question. It is not a question of sentiment; I am viewing it along the broad lines of endeavouring, first, to protect society to the utmost; that is a duty we owe to society; secondly, to prevent the slightest possibilty of an innocent man being convicted and hanged; and thirdly, to give the man himself, if he has been found guilty, a chance to make himself right in the years that are before him.

Mr. W. D. EULER (North Waterloo): Mr. Speaker, I have for some years taken some interest in this question. Last year I listened with a good deal of interest to what the hon. member for East Calgary (Mr. Irvine) had to say, and again to-day. I cannot say that I can follow him entirely in all of his opinions; for example, when he regards crime as altogther a manifestation of disease, I cannot follow him all the way. At the same time I am in favour of the bill which he presents to-day; I am not in favour of capital punishment.

To my mind there are only three possible reasons that can be advanced for the imposition of capital punishment. The first one, is that of revenge; the second is to prevent a repetition of the crime by the culprit himself; and the third is to deter others from committing murder. That of revenge I think is hardly worthy of consideration in a civilized nation; individuals perhaps may be excused by us for exercising revenge, but surely it is not excusable for a nation or a nation's representatives to take revenge upon one individual.

Then we come to the other reason, to prevent a repetition of the crime by the culprit himself. As has been stated here, repetition can be prevented by other means such as life imprisonment.

Then there is the argument that we should execute the murderer because that will deter others from committing a murder. I am not at all satisfied that that is the case. I have given some attention to statistics; I am not going to review them or present them to-day, but I am fairly well convinced that capital punishment does not deter criminals from committing murder. I do not believe in ninety-nine cases out of a hundred that a murderer when he commits the crime is thinking of the death penalty attached to it at all. The greatest preventive of murder is to inculcate in the people themselves a reverence for human life.

If I should summarize the arguments against the infliction of capital punishment, my summary would perhaps be this: One reason has been urged by the Minister of Railways (Mr. Graham), to give the criminal himself a chance. In a Christian country I suppose that is a perfectly proper sentiment. Personally, although I am not going to place myself outside of the category to which I have just referred, I must admit that consideration for the criminal is about the last thought I have in mind. When I am asking for the abolition of capital punishment I am not thinking of that particularly, but I am willing to give that its fair consideration, because, after all, even the worst of criminals should be given some opportunity of retrieving himself. I am willing to say that. Secondly, there is the possibility of irretrievable error, the possibility that an innocent man may be hanged. Third, there is the disgrace that attaches to the family and relatives of the condemned person, and I think that is worthy of consideration.

But the greatest reason of all to my mind, and the one reason why I oppose capital punishment, is that the whole institution is an affront to the community itself. It is not necessary for me to speak of the horrors attending an execution; that has already been done to-day by the hon. member for East Calgary. To condemn a man to a strangling shocking death, and submit his body to the indignity which hanging imposes is, I think, repellent and repugnant to every person. We have had in my home city of Kitchener two hangings, the last one some two or three years ago, and I know from personal experience that for perhaps a week or less prior to the execution itself there was in the subconscious or perhaps the conscious mind of every person in that community, man, woman, and child, a growing horror of what was going to take place upon a certain day and at a certain hour. That horror increased from day to day until the gruesome tragedy was completed at the time appointed. That feeling was not merely because a man was to die, but it was because of the manner of his death. We may know, as we frequently do, that a certain person in the community must die by reason of some fatal illness; we take that in a philosophical way; perhaps we have regrets; we sympathize with the person and with his people, but there is not the horror we experience in connection with a hanging. But we shrink instinctively, I think, from a practice which outrages in one of our kind the dignity and respect that we have for the human body and for human life.

5 p.m.

That briefly, Mr. Speaker, is my argument against capital punishment. I would like to say this, in conclusion: If we must have capital punishment, we surely ought to change the method of inflicting it. The practice of hanging, to my mind, is about as barbarous a one as can be conceived. We ought to adopt some more humane or less barbarous method. I would like to make another suggestion: If capital punishment be continued, let us not only adopt some more humane way, but let us not have these executions take place in the locality in which the murderer or victim has lived. We would then at least escape this condition I have spoken of, this feeling of horror in the minds of everybody who lives near the place of execution. I would suggest a central place of punishment, perhaps the penitentiary, to which all criminals of this kind may be taken and quietly done away with, if it is necessary to continue this barbarous practice. I am in favour of the bill.

[Mr. Euler.]

Mr. W. C. GOOD (Brant): About thirty years ago I read an essay by the English novelist Thackeray entitled "On going to see a man hanged," and I think from that time until the present I have never had any real doubts as to the barbarity and cruelty of the antiquated system we are still following. I wonder if the House would bear with me if I read a few sentences from that essay which was written in England eighty-four years ago. Listen to this, a bit of the grimmest satire you can find anywhere:

> If a public execution is beneficial—and beneficial it is no doubt, or else the wise laws would not encourage 40,000 people to witness it,—the next useful thing must be a full description of such a ceremony, and all its entourages, and to this end the above pages are offered to the reader. How does an individual man feel under it? In what way does he observe it,—how does he view all the phenomena connected with it,—what induces him, in the first instance, to go and see it,—and how is he moved by it afterwards? The writer has discarded the magazine "we" altogether, and spoken face to face with the reader, recording every one of the impressions felt by him as honestly as he could.

I may say by way of explanation that this is a paragraph towards the end of the essay. Continuing he says:

> I must confess, then, (for "I" is the shortest word, and the best in this case), that the sight has left on my mind an extraordinary feeling of terror and shame. It seems to me that I have been abetting an act of frightful wickedness and violence performed by a set of men against one of their fellows; and I pray God that it may soon be out of the power of any man in England to witness such a hideous and degrading sight. Forty thousand persons (say the Sheriffs), of all ranks and degrees,—mechanics, gentlemen, pickpockets, members of both Houses of parliament, street-walkers, newspapers-writers, gather together before Newgate at a very early hour; the most part of them give up their natural quiet night's rest, in order to partake of this hideous debauchery, which is more exciting than sleep, or than wine, or the last new ballet, or any other amusement they can have. Pickpocket and peer each is tickled by the sight alike, and has that hidden lust after blood which influences our race. Government, a Christian government, gives us a feast every now and then: it agrees—that is to say— a majority in the two Houses agrees—that for certain crimes it is necessary that a man should be hanged by the neck. Government commits the criminal's soul to the mercy of God, stating that here on earth he is to look for no mercy; keeps him for a fortnight to prepare, provides him with a clergyman to settle his religious matters (if there be time enough, but government can't wait); and on a Monday morning, the bell tolling the clergyman reading out the word of God, "I am the resurrection and the life", "The Lord giveth and the Lord taketh away",—on a Monday morning, eight o'clock this man is placed under a beam, with a rope connecting it and him; a plank disappears from under him, and those who have paid for good places may see the hands of the government agent, Jack Ketch, coming up from his black hole, and seizing the prisoner's legs, and pulling them, until he is quite dead—strangled.

I shall also read a few lines at the very end of the essay.

> This is the 20th July and I may be permitted for my part to declare that, for the last fourteen days, so

salutary has the impression of the butchery been upon me, I have had the man's face continually before my eyes; that I can see Mr. Ketch at this moment, with an easy air, taking the rope from his pocket; that I feel myself ashamed and degraded at the brutal curiosity which took me to that brutal sight; and that I pray to Almighty God to cause this disgraceful sin to pass from among us, and to cleanse our land of blood.

Now, Mr. Speaker, I desire to refer to a copy of an address delivered on the 18th of October, 1922, by George W . Kirchwey, a former warden of the Sing Sing penitentiary in the United States, at an American Prison Association meeting at Detroit, Michigan. He opens by stating that there are three general arguments that have been advanced on behalf of capital punishment. As those have been already dealt with to-day, I shall not further refer to them. Continuing he says:

> The argument for the elimination of the murderer as a menace to society is founded on an assumption which everyone who has an intimate knowledge of men convicted of murder knows to be baseless, namely, that murderers are murderers by nature, prone to kill, and that they constitute a professional class like burglars, pickpockets, robbers and the like. Both these types may be represented among those whom the law has branded as murderers, but they constitute an insignificant fraction of the total number. Among the thirty men whom I knew in the death-house at Sing Sing and the 200 or more who were "doing life", I found only a half dozen who seemed to answer that description—one of them a reputed "gunman" from New York city, who became violently insane a few days before his execution, and the other the only person I ever knew who seemed entirely devoid of any sentiment of pity or sympathy and who was diagnosed by the physicians as a psycopathic personality. Doubtless the execution of these two was no loss to the world, but most of the others seemed to me to be of the type described by Sir Basil Thompson, the head of the British Secret Service (Scotland Yard), in his recent work "You have to be in charge of a prison," he says, "in order to realize that the murderer is rarely a criminal by nature at all. But for the grace of God he is just you and I, only more unlucky. Most murders are committed without any deep laid plot... The murderer is repentant, and is planning only how he can earn an honest living after he is discharged."
>
> If this seems a bit too sweeping, let me assure you that it is far nearer the truth than is the popular conception of the murderer. I made it my business to know every man in the death-house while I was at Sing Sing. The only characteristic that they had in common was that they were sick, tortured souls over whom hung the pall of the awful fate that awaited them. Only a few of them were criminals in the ordinary sense of the term and one, whose death sentence had been commuted to imprisonment for life, complained to me of the fact that he was in a situation where he could get so little decent companionship, there were so many crooks. A few of my murderers were obviously feeble-minded, a few apparently insane or psychopathic, but most were of the kind described by Sir Basil Thompson,—men who, but for the accident of fate—some jam in the wheels of life, some uprush of upsetting emotion, some bewilderment of faculties—might have been even as you and I are this day.

Further on he quotes from Governor Davis as follows:

> It is thus easily to be seen that, on the whole, it appears to make little difference in the prevalence or scarcity of homicides whether the punishment is death or life imprisonment. In fact, there would seem to be a slight lessening of homicides where no death penalty exists. At any rate, these figures tend definitely to show that the deterrent of capital punishment is largely mythical and merely an imaginary factor.

Then he proceeds to discuss the question from the point of view expressed in the statement: "Eliminate murder, not the murderer," but I shall quote no further.

I noticed, not many weeks ago, in the Ottawa Citizen, the following letter, which I think, was taken from one of the American papers. It appeared to me to be so pertinent to the question under discussion to-day, which I then thought might come up at some future date, that I clipped it out, and I should like to read to the House one or two paragraphs from it. The letter is entitled "What is prison for?":

> I take it that most of us no longer believe in the theory of punishment. We put people in jail because we believe they are dangerous to the community. Accordingly, we should let them out as soon as we have reason to believe that they are no longer dangerous. It may be quite evident that the man who has killed is never going to do it again and that the shoplifter will continue in his usual pursuit as soon as he is released. In that case it seems to me quite silly to keep the murderer in the jail for life and to let the shoplifter go.
>
> If we had judges and wardens wise enough, there might be just one universal sentence for all criminals. Each would be sentenced to remain in prison until cured.

The subject has been so completely covered to-day that I do not think it is necessary for me to speak any further. I trust that the government will leave this matter to be settled by the House after a full and free discussion, and that this House may take the humane and Christian view which, I think, has been so well expressed to-day by the Minister of Railways and Canals (Mr. Graham). I listened with singular pleasure and satisfaction to his concise and complete statement of the case in favour of the abolition of capital punishment.

Mr. W. K. BALDWIN (Stanstead): Mr. Speaker, I did not intend to speak on this matter, but as the argument is getting into the sentimental line, much can be said for and against capital punishment. Before I would vote in favour of this bill, I would ask that there be more amendments to our criminal code, guaranteeing that every murderer, every man who is premeditating murder, such as those who are now rampant in the country, engaged in robbing banking institutions particularly, to enrich themselves so that they can live in luxury for the balance

of their lives, can be kept in chains or caged and compelled to work twelve or fifteen hours a day, so that he may earn enough to cover the expense that it would take to keep him from ever again becoming a prey upon society. It might be possible to make society perfectly secure in this regard by using chains, shackles or cages, but until that safeguard has been effected, I shall have to vote against the bill.

Mr. WOODSWORTH: Would the hon. gentleman apply that same rule to those who rob banks from the inside as well as to those who rob them from the outside?

Mr. BALDWIN: Certainly. If you find murderers on the inside as well as the outside, I would apply the same rule. I would have them work for the state for at least twelve or fifteen hours in every twenty-four, and have shackles on their feet while they were not working, and possibly even while they were working. But I would have them so that they could never escape and prey upon innocent society again in their lives.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, if my memory serves me well, I have had an opportunity, on at least three occasions, of listening to a debate on this question during the last twenty-five years or so, and of voting once or twice on this question. I, therefore, consider it my duty to give a word of explanation. In a matter like this, I would be guided, not by sentiment, but by eminent men, legal men who have given up their lives to the study of law, and that is the reason why I asked the hon. member for East Calgary (Mr. Irvine) to give me the authority of any attorney general of any province of Canada or any attorney general of Canada who had ever advocated the abolition of the death penalty. We are not turning our eyes to the United States now for precedents in these matters. Great Britain is good enough for us yet, and I hope she will continue to be for a long time. Great Britain has not abolished the death penalty, for good reasons, no doubt.

The constituency which I have the honour to represent and have represented for a quarter of a century, has not seen an execution in fifty years. When I was a young boy, employed in Montreal in newspaper work, I acted for some years as coroner's clerk. One morning, in fulfilment of my duties, I had to go down to witness the first execution that had taken place in Montreal in twenty years. It was an extraordinary thing to see an execution in those days. This man had committed his crime while serving a term in the penitentiary, and while he was comparatively a young man, twenty-five or twenty-six years of age, he had spent some fifteen years of his life in jail or penitentiary. Conditions are no better now than they were then. We must admit that since the Great War, things are not much better than they used to be. There is a looseness of morals the world over, a condition of things which is really discouraging.. What happened in Montreal last week is something that is worth while pondering over? At two o"clock, in broad daylight on Ontario street, one of the most frequented thoroughfares of the city, three or four young men, engaged in the fulfilment of their duties, were held up by half a dozen gunmen and shot at, one, the sole support of his mother, shot like a dog. The other man, Stone, who was shot at the same time, had a penitentiary record of twelve different institutions. He was then unfortunately under bail for a crime which he had committed.

As regards the idea of changing this punishment to life imprisonment, life imprisonment does not always mean what its words contain. The Crown always has the right to revise the sentence passed upon a man serving a sentence of life imprisonment, and I have in mind the case of Morin, of Montmagny, whose name will be familiar to the Minister of Justice. This man was granted a reprieve on the eve of his execution, and he was sentenced to St. Vincent de Paul penitentiary, where, after ten years, on the recommendation of the late Sir John Thompson, he was liberated. Life imprisonment, therefore, may mean a very short term. No man wishes to have capital punishment carried out if that can be avoided. The jury that are called on to try a man charged with murder are told, in effect, in the last words that fall from the judge's mouth: "If you have a reasonable doubt, it is your sworn duty to give the benefit of that doubt to the accused." When the verdict is given by the jury and the judge is called upon to pronounce the sentence, he has to write out a full report of his notes and to transmit the evidence to the Department of Justice, where that is scanned carefully by men who are experts in such matters. The minister himself has to examine into the case and the Privy Council has to do likewise. The great majority of capital sentences, or, I should suppose, at least half of them, are never carried out, but they are cases, not for the sake of revenge, because the state is not looking for revenge, but for the sake of preventing repetition, as a deterrent and for the protection of society—

Mr. SHAW: Is the hon. gentleman prepared to say that the statement of the Minister of Railways and Canals (Mr. Graham)) is wrong, that men who are innocent have been hanged in Canada?

Mr. MARCIL (Bonaventure): No doubt men have been hanged for what we to-day do not regard as offences. I could mention some who were hanged for political crimes and whom nowadays we consider heroes, monuments being erected in memory of them in the public squares of large cities. It depends upon the point of view. But we are proceeding on the old theory that it is better that ninety-nine guilty persons should escape than that one innocent man should be convicted. As the leader of the Progressive party (Mr. Forke) said a moment ago, the great Judge is the judge of all; but I do not think that the Department of Justice in Canada is willing to admit—at least I have not heard that the admission has been made—that any really innocent person has been convicted, or, as it is said in French, that an erreure judiciare has been committed. I do not recollect anything of that kind. But in view of what is happening now in the Mother Country and in Canada, and in view of the complete absence of any recommendation, for a change in the mode of punishment, from any legal authority in this country, from any judicial mind, or from those who are trained to deal with such cases, I think the time is ill-chosen to bring about a change in this respect. I certainly will vote to sustain the institution as it is.

Mr. ANDREW McMASTER (Brome): I want to make a few brief remarks on the subject matter of this bill, though I quite realize that the question has been covered most amply in the very eloquent and learned discourse with which the hon. member for East Calgary (Mr. Irvine) has favoured the House, and also in the very able remarks which have been addressed to us by the Minister of Railways and Canals (Mr. Graham) and the hon. member for North Waterloo (Mr. Euler). There are however a few observations which at this time it may be fitting to make, especially in reply to the hon. gentleman who has just resumed his seat (Mr. Marcil, Bonaventure). The hon. gentleman said that in regard to this matter he would take the views of legal men. Now, I have a high respect for legal men; I feel that there are few classes in the community who deserve so well of their fellow-citizens. But I am sorry to say that in the past legal men, especially when they have mounted the bench, have not been the best authorities for one to accept as regards the advisability of change or reform. Lord Ellenborough was one who spoke against the abolition of the death penalty for petty theft, as was well explained this afternoon by the member for East Calgary. And I regret to say that in a discussion of this question years ago in the Mother Country John Bright was forced to point out that the elimination of the death penalty on many occasions had been brought about in the Old Country in the face of the opposition, if not of all at least of a great number of the judges, who were anxious that it should be retained for the punishment of crimes which are now considered trifling.

I was somewhat interested in hearing the hon. member (Mr. Marcil, Bonaventure) declare that institutions that existed in Great Britain were institutions which we should unhesitatingly and unquestioningly accept. My mind instantly turned to the hereditary House of Lords in England, and I wondered whether the hon .member would be willing to see such an institution created and perpetuated in this country. My hon. friend's views in regard to the institutions of Great Britain are not very consistent. When the hon. member for West Calgary (Mr. Shaw) adduced, as an argument in favour of the divorce bill which he had before the House the other day, the fact that his bill was on all fours with legislation that presently existed in Great Britain, the hon. member for Bonaventure opposed it.

Mr. SHAW: I might be permitted to point out for the benefit of the member for Bonaventure that there is at present before the British House of Commons an application similar to the one under discussion in this House for the abolition of capital punishment.

Mr. McMASTER: That being the case, if such legislation is passed in Great Britain the hon. member for Bonaventure would consistently support a similar measure in this House. The hon. gentleman is not altogether consistent in his admiration for things Britannic. He said that he would sustain the present institution, in view of the things that were happening in the Motherland. I wonder, does he refer to the coming into power in Great Britain of the Labour government? Does that fill his mind with dread? I trust not; because I think the people in all the nations of the British Commonwealth view that circumstance with a good deal of satisfaction and hope for the future of the British race, and wish that government well. As long as seventy years ago one of the best, the wisest and the most characteristically English

of British statesmen, the late Right Hon. John Bright, strongly supported the abolition of the death penalty.

The arguments in favour of the principle are, I think, overwhelming. Surely, all civilized people admit that the only sound argument in support of the retention of the extreme penalty is that it is a deterrent; and surely the burden of proof is upon those who urge its retention. My examination of the question leads me to the belief that capital punishment is not a deterrent. Who would be the best judges as to whether the death penalty was or was not a deterrent? Would it not be those men of education and character whose position at the head of penitentiaries would bring them into contact with murderers? The opinion of a judge sitting on the bench that the death penalty is desirable has not the same weight as the opinion of a man who by reason of his duty comes into close contact with homicidal criminals. And I think it is pretty well the view of a very large number of men who have served as wardens in penitentiaries that capital punishment does not deter men from murder. In fact, I remember some years ago hearing a very celebrated American warden of Sing Sing penitentiary—I think his name was Osborne—declare that, far from the death penalty being a deterrent, it had entirely the opposite effect; for whenever a man went to the electric chair to expiate the crime of murder he became a hero to the underworld. And the same thought has been brought out this afternoon by the hon. member for Cumberland (Mr. Logan), who has pointed out that once a man has been condemned to death he is regarded as a martyr rather than a criminal. If, then, capital punishment is not a deterrent there is no other reason for our maintaining this method of punishing human beings. I would respectfully point out to the Minister of Justice (Mr. Lapointe) that as a matter of fact the imposition of the death penalty is out of date and is not working well at the present time. It is ineffective for reasons which have been placed before the House and which I beg the House's pardon for insisting upon again. To-day in all parts of the country where "twelve good men and true" are called upon to "a true presentment make between the prisoner at the bar and our sovereign lord, the king," they have such disinclination to the death penalty that they will seize hold of any shred of evidence, or the want of evidence, in order to be able conscientiously to bring in a verdict of not guilty. As the feelings of our people become more and more attuned to higher civilization, it will be more and more difficult to find juries who will bring in a verdict of guilty in capital charges.

And not only has it that effect, but in my experience it has influenced those who would otherwise be ready to become judges. I remember in Montreal, during my brief experience as a practising lawyer, it was expected that one of the ablest men of the Montreal bar would be elevated to the Court of Appeal, and it was common rumour among the lawyers that this gentleman, who would have made a most distinguished judge, refused to accept the position because he would have to deal with criminal cases. He could have given distinguished service to his country, but he did not feel that he could sentence a fellow-being to capital punishment.

If there is fair ground for believing that the deterrent nature of the death penalty is not satisfactorily proved, then it would appear to me to be well for Canada to put herself in line with other civilized countries and abolish the death penalty. It is not a deterrent because, as I said a moment ago, more and more will juries fail to convict on capital charges. I do not go all the way with my hon. friend from East Calgary in thinking that punishment has no place as a deterrent against crime. I think it has. But I think he is largely right in his view that criminality is very often more of a disease than an expression of premeditated wrong-doing. I think punishment has its place, but it is not the severity of punishment, it is its certainty which is the real deterrent. And if you make punishment so severe that society draws back and refuses to impose it, so far as its deterrent effect is concerned it would be far better to have punishment which is less severe but more certain.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, last week a delegation interviewed the Home Secretary of Great Britain, the Right Hon. Arthur Henderson, a prominent member of the government of which my hon. friend (Mr. Irvine) has spoken so eloquently. Mr. Henderson is a reformer, he is a progressive in every way. This will be generally admitted. But here is the report of the interview which I find in the Morning Post of the 25th March last:

> The following official report was issued from the Home Office:
>
> The Home Secretary received this morning a deputation of members of a number of societies who placed before him various considerations and statistics in support of the abolition of the death penalty in this country. The societies in question were: The Committee for the Abolition of the Death Penalty,

the Society of Friends, the Women's Co-operative Guild, the Howard League for Penal Reform, the Central Council of Societies Working for the Abolition of Capital Punishment, Manchester Society for Abolition of Capital Punishment, Women's Freedom League, and the British Section of the Women's International League for Peace and Freedom.

Mr. George Lansbury, who introduced the deputation, drew special attention to its representative character as indicating a recent rapid growth of public opinion on the subject.

He was followed by Major Christopher Lowther and Miss Margery Fry, who argued the case in greater detail, and produced various figures.

The Home Secretary, in replying, thanked the deputation for waiting upon him, and for their full statement of their case, and promised that what they had said would be brought before the government in an appropriate form before any decision was reached by the government on the question of abolition. He pointed out, however, that any government must take public opinion into account, and that so far as his long parliamentary experience went there was little evidence of any general public desire for abolition, the subject not having been debated for many years. He also pointed out that before a government could recommend an alteration in that law they would have to consider very carefully what satisfactory alternative punishment they could properly suggest.

As I have stated, Mr. Henderson is the Home Secretary in the British government, and as such he is entrusted with the responsibility of the administration of justice in Great Britain;—perhaps he may have had other views in the past, as I read in a newspaper that the delegates were surprised at his answer, but he has that responsibility. I am in the same position in this country, and I must share the views of Mr. Henderson. As far as my own personal feelings are concerned, by temperament and by instinct I would be inclined to vote for the bill, but from a high sense of duty I feel that I cannot do so, and that for the present we must retain capital punishment. If I were convinced that any other form of punishment would be as effective for the protection of the Canadian people, it would be my duty to recommend its adoption. It is because I do not believe that capital punishment can be replaced by any other form of punishment which would be as effective that I am forced to take this stand.

I have listened with a great deal of interest to the remarks of my hon. friend from East Calgary. He is to be congratulated on the manner in which he has expressed his views. This question has engaged the attention of the students of sociology in all the civilized countries in the world, and there have always been great differences of opinion with regard to it. Arguments of great weight can be adduced on both sides. Statistics can be produced, but statistics in this matter are unsatisfactory and inconclusive. Apart from the form of punishment we must consider the race, the customs of the people, the climate, the environment generally—all these considerations must be had in mind when you deal with statistics produced in favour of or against capital punishment. The countries which are most similar to ours so far as the mentality or the make-up of the people is concerned are Great Britain and the United States. I happened to lay my hand on a very able article in The English Review of September last, written by Major J. B. Paget on the "Death Penalty in Time of War," in which the writer quotes some statistics. Major Paget says that during the war the death penalty was necessary in the army to prevent desertion. He said that the percentage of Australian deserters was about four times that of the English. I quote from the article:

> I tried to find out the reason, and came to the conclusion that it was owing to Australia having no death penalty for desertion. In the New Zealand forces, on the other hand, they having the death penalty, the percentage of deserters was even smaller than the English.

He points out that in the beginning there was no death penalty for desertion from the Canadian army and that a rather large number of desertions took place; then they brought in the death penalty and the percentage sank to the same as the English. He found the same situation in the American army. He says that the greatest deterrent against desertion in the army is the death penalty. He points out also that so far as the civil population is concerned, in time of peace the United States, with the population of 110,000,000, has some 8,000 murders a year. Of those convicted for murder, Major Paget says,—and this has been stated also by my hon. friend who proposes this bill—only a certain proportion are executed. He goes on to say:

> In the British Isles the death penalty has hitherto been inflicted on the great majority of convicted murderers. With a population of some 46,000,000, not more than about 200 murders are committed annually.

And he adds:

> The unwritten law and brainstorms cut little ice with a British jury.

Eight thousand murders in the United States with a population of 110,000,000; two hundred murders in the British Isles with a population of 46,000,000. Here in Canada where we have the death penalty and where it is enforced we have had for the last ten years an average of twenty-five murders per year, which is less than three per million of the population. These figures are a decisive answer, it seems to me, to many of the argu-

ments advanced this afternoon. These are from countries which are similar to ours, and I do not think they can be successfully challenged.

I would not wish anybody to think that capital punishment is carried out in the spirit of retaliation, or revenge, or vengeance. It is not for that purpose, and that is not the consideration which influences me in favouring a continuance of capital punishment. It is as a deterrent; and whatever may be said I am convinced that it is a deterrent. After all, every human being values life more highly than anything else, and even the dumb animals recoil from death. It is a deterrent, and it is a protection of society. If only one innocent human life is saved through capital punishment, I think it is our duty to maintain it on the statutes of this country.

Canada has an immense territory which is sparsely populated and there are places where women and children live miles away from the nearest neighbour. These women and children must be protected. We have immigration which brings to this country people from many parts of the world, and statistics in the Department of Justice show that 49 per cent of the murders committed in Canada in recent years have been committed by foreigners. I think capital punishment is a protection and that we should keep it. I repeat that if I could convince myself that imprisonment for life would be just as good, just as effective a punishment as the death penalty, I would be in favour of changing the law in that regard. But I am not convinced of that.

Mr. IRVINE: Would the minister be good enough to give the House one proof that capital punishment is a deterrent? That is the ground upon which he says he favours it.

Mr. LAPOINTE: I have given statistics and I have stated my firm conviction. My hon. friend has given his opinion and I am giving mine. If I were moved only by sentimental and humanitarian feelings I would vote with my hon. friend, but my best judgment and my conscience tell me that I cannot support the proposal embodied in his bill.

Mr. MARCIL (Bonaventure): Can the minister tell the House that in any case where the death penalty was imposed the victim asked that it be changed to life imprisonment?

Mr. LAPOINTE: They all ask for a change of sentence to imprisonment for life.

At six o'clock the House took recess.

[Mr. Lapointe.]

After Recess

The House resumed at eight o'clock.

PRIVATE BILL

UNITED CHURCH OF CANADA

Mr. ROBERT FORKE moved the second reading of Bill No. 47, incorporating The United Church of Canada.

Mr. WILLIAM DUFF: (Lunenburg): Mr. Speaker, before the disposition of this bill takes place on its second reading, I should like to make a very few remarks. Speaking for myself personally, I do not think it is necessary to make any lengthy remarks upon the bill at this stage. This is a very serious matter and—

Mr. FORKE: Mr. Speaker, the hon. member agreed with me that there would be no discussion at this stage of the bill, on condition that I did not speak. The hon. member came across here and agreed with me that there would be no discussion on the second reading.

Mr. DUFF: I did say that I did not intend to make a speech, but my recollection was that I was to enter a formal protest so that the opponents of this bill would not be put in the position of adopting the principle. We are quite ready that the bill should go to the committee on Miscellaneous Private Bills, and there be discussed clause by clause. The only thing I want to do now, and I thought I had made that clear to the hon. member for Brandon (Mr. Forke) is to enter this formal protest before the bill receives its second reading. I do not think anybody can object to that.

Mr. FORKE: That is all right.

Mr. DUFF: I think that is only fair and proper. I may say that I also am the victim of a misunderstanding with my hon. friend in one particular, because when I went over to see him the day before yesterday and asked him when he intended to introduce this bill he told me, if my memory serves me aright, that it was not going to be introduced until after Easter. So I too have a grievance.

We who are opposed to this bill have no objection to the hon. member for Brandon or anybody else introducing a bill to incorporate the United Church of Canada. So far as I personally am concerned I am quite willing for one or more persons to come before parliament and ask for the incorporation of the United Church of Canada or any other church, but what we do want to do is to protest against the principle of this

bill. We are quite satisfied to let the bill receive its second reading and go to the committee on Miscellaneous Private Bills if we can have a free and full discussion there on every phase of the bill from the preamble to the last clause and there protest against any clauses to which we cannot agree. If in addition there is also opportunity for free and full discussion of the bill in Committee of the Whole and again on its third reading, we are ready to let the bill receive its second reading and go to the committee on Miscellaneous Private Bills.

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): I have not entered into an arrangement of any kind with the hon. member for Brandon (Mr. Forke), and therefore I feel perfectly free to speak on the second reading of the bill, but perhaps it may be soothing to my hon. friend to tell him that I do not propose to do so. I do wish, however, to make a few general observations, not by way of discussion.

There is a great deal to be said on this bill, but I consider it more suitable to have the discussion at a later stage, and this is the reason I do not propose to discuss it just now, because as this is a private bill the second reading does not concede the principle of the bill.

One point I wish to mention is this: I do not think that there is objection to the incorporation of the United Church, provided that the church is for those who wish to go into it, and provided further that those who do not so desire may remain in their mother churches.

The other point I wish to mention, because it is a general principle, is this: There is objection made, as we know, by Presbyterians that the petitioner for the bill, the Moderator of the General Assembly, has not been authorized by the General Assembly, and even were he so apparently authorized, the General Assembly has no authority to so authorize him. I say this because I wish to draw the attention of the House at once to the fact that this matter is now pending in the Supreme Court of Ontario, and judicial decisions are being sought on the question of the constitutionality of the procedure. The other matter, Mr. Speaker, is that there are many grave complaints made by Presbyterians regarding various other sections of the bill; so much so that I join with the hon. member for Brandon (Mr. Forke) in urging that the motion for the second reading of this bill be passed at once, so that the committee may have an opportunity of hearing a full statement of the complaints as they are made by Presbyterians.

Motion agreed to, bill read the second time and referred to the select standing committee on Miscellaneous Private Bills.

CAPITAL PUNISHMENT

The House resumed consideration of the motion of Mr. Irvine for the second reading of Bill No. 3, to amend the Criminal Code.

Mr. T. W. BIRD (Nelson): The value of this debate I think has been already assured. It has elicited from two ministers of the Crown very significant and very impressive speeches. Although they came to different conclusions, it was possible to recognize behind their expressions of opinion a common feeling, I might say a delicacy of feeling, a refinement of sentiment, which it does one good to see in men occupying the positions which they occupy. After listening to those speeches I felt as others must have felt, that the doom of capital punishment has been already pronounced. The speech of the Minister of Justice (Mr. Lapointe) was as cogent in that direction as the remarks of the Minister of Railways (Mr. Graham). He expressed a refinement of sentiment which some of us believe his whole nature is compact with, and I believe that sooner or later that sentiment, which is by no means monopolized by the minister and his colleagues, will see the finish of capital punishment, and of every other summary means of dealing with problems that are really social and not individual in character. I agree with them that sentiment is largely out of place in a discussion of this kind. Nothing can be settled by sentiment, because sentiment beclouds every issue into which it enters, and there is no necessity for bringing sentiment into this argument either on one side or the other. We may appeal to the sentiment of the public, but unfortunately feeling is balanced by fear, and fear is one of those emotions that is just as easily appealed to as sentiment, and if ever you introduce an argument along sentimental lines, another argument is sure to be introduced appealing to fear which overwhelms us immediately, and we do not get anywhere.

I should like to make a few remarks without going over the ground which has already been covered and I desire to base my approach to this question not upon humanitarian grounds, but rather upon, if I may use the word, societarian grounds. I agree with the Minister of Justice that society needs protection, and that it is our duty to protect society, but I disagree with the argument that is implied in his statement.

What he means by protecting society is protecting certain individuals in society. Strictly speaking it is not society he is thinking of. He is speaking of certain individuals in society and not of society as a whole. He is speaking of protection in exactly the same sense as the party to my right speaks of protection. It is not protection of society at all. Society is not concerned. It is the individual that is concerned. For many, many generations we have been concentrating all our attention in a blind way trying to protect the individual and we jeopardize society. That is what we have been doing and are doing yet. We are trying to save individual souls, and in the process of doing that we have been consigning multitudes to perdition. That is the way we manage to do things in this topsy-turvy world. My hon. friend from Brome (Mr. McMaster) did well to introduce the name of John Bright into this argument. After all the sentiment behind this appeal is liberalism. In order to perpetuate liberalism and to save liberalism, we have to be liberal all round. John Bright was not liberal in parts; he was liberal in every fibre of his being. When he thought about protecting society he was not thinking of certain individuals in it to the exclusion of others. He was thinking of society as a unit in which he himself existed, and of which he was a part, and with which he felt sympathetic.

I think the time has come for all intelligent communities to begin dealing with causes and not with effects. Crime, however you look at it, is a symptom. Crime, wherever it exists, is a token that something is wrong with society, because the criminal arises from society. He does not make himself, and in order to deal with crime you have to get behind the individual and deal with society for its responsibility. There is, Mr. Speaker, a famous saying of a philosopher who belongs to the same race as the Minister of Justice, that if we knew all we would forgive all. When you see the criminal standing at the bar, he is not nearly so guilty as superficially you think he is, and the public against whom he is supposed to have sinned are not so guiltless as you think they are. No, if we knew all, we perhaps, might not forgive all, but we would forgive a great deal. Forgiveness is not a maudlin sentiment. Forgiveness is recognition by men and women that humanity is one. It is a recognition of the solidarity of society. It is a sympathetic understanding of the mesh-work of relationship in which we all exist, and when one sins, all sin, all have sinned. The Great Author of mercy on one occasion gave a dramatic illustration of this. He was present when capital punishment was about to be administered and He said to the judge and jury who were also to be the executioners: "He that is without sin, let him cast the first stone." He did not mean that they were sinners in the sense that the criminal was a sinner, but he meant that they as representing society were responsible. I think we have arrived at that stage in the development of humanity when the most benighted of us have some sense of what it means to have a sympathy as wide as humanity itself, which does not exclude even the criminal, but which looks upon the criminal as our own flesh and blood.

As regards the argument of sentiment, I dislike sentiment, as I said before, when we are dealing with rational matters; but what is sentiment and what is not sentiment? When the time comes for the criminal to approach his death, it is almost invariably the case that the public or a large section of it becomes sentimental, and that sentiment is expressed in many ways. It is the habit to speak lightly of that sentiment, but I do not speak lightly of it. It is not a light thing. What are the facts? On the eve of execution there in that lurid light stands a man, or a woman it may be, of our own flesh and blood belonging to our own race, and in the background you have those terrible realities which the society that has made him what he is has painted to our imagination, rightly or wrongly. I think we all recognize the fact to-day, that is, if we think at all, that this sentiment, which we sometimes deride, is profounder than superficially we may consider it to be. There is the condemned man standing against that background which the teachings of society have impressed upon our imagination and mind, whether it be Catholic or Protestant, whether it be Dante or John Milton. There is that man about to be launched into that terrible condition of things which is at the base of all our convictions. Is that not a time for sentiment? I will guarantee that it is not only the sentimental people who send flowers and notes of condolence to the condemned that feel that sentiment, but other people, more reserved, feel that sentiment as well, who do not express it. I think it is a mark of high development in a man's condition when he feels that sentiment. What kind of a person could be unmoved when, by the volition of society a human soul is cast into conditions like that, which society has, through the ages and generations, instilled into our very convictions and sentiments?

Then there is the sentiment in regard to degradation. We all revolt at the thought of delegating one of our fellow citizens to kill another, and rightly so, although I do not agree that under all conditions hanging is degrading. I know plenty of people whom I would like to hang myself. I would like to be on the end of the rope—I mean the other end.

Mr. PARENT: Is that sentiment?

Mr. BIRD: I think my self respect would be in no wise injured by the deed. It is no use arguing that under all circumstances the violence of society is degrading. I am not one of those who believes that stern measures introduced by society, in the interest, not of individuals, but of society for its own protection, not for the protection of any part of it, are wrong. I believe sometimes they are right. I do not think hanging in the days of Walpole, Pitt and Newcastle degraded them in the sense that it degrades us to-day. At any rate, it ought not to be so. If it degraded them then, if they hanged men for stealing sheep or a 25 cent piece or its equivalent, I can see quite clearly that its reaction upon them would probably be trivial as regards its moral significance; but for us in the twentieth century, this is a different matter. People in those times, when hanging became part of the British constitution, believed in political corruption. I cannot conceive of our believing in political corruption in the twentieth century. We are growing out of those things. All history is a proof of that.

There is the argument as to the deterrent value of hanging, and I want to part company here again in a sense from some of the advocates of this bill, because I believe that punishment, even hanging, is a deterrent. All history is very clear proof of that. Unfortunately, sometimes it has deterred the wrong things. Sometimes it deters right things as well as evil things. Sometimes it deters other kinds of criminals than the homicidal criminal. Sometimes it has deterred people who would obtrude themselves into places where they had no right and claim for themselves powers which they had no right to claim. Hanging has had very salutary influences throughout all history; but as I said before, we are getting on. When hanging became part of the British constitution, as some people seemed to think it did, the medical science of that time believed that phlebotomy was the deterrent for influenza and headache. They believed in bloodletting for trivial ailments of all kinds, we have outlived that age. There was a sense in which it was true that bloodletting cured those ailments; it was a deterrent; but a great deal of water has run under the bridge since those times ,and we have been enlightened in many respects. Surely the time has come when we, civilized people as we are, should be able to adopt better expedients than those. As an expedient I say it has had its day. It has ceased to be effective, and it is a wrong expedient for the age in which we live.

More than that, it is a stultifying expedient. I believe that a condition of society that pins its faith upon curing the criminal by killing him will always have criminals to kill. It is the point of view that is wrong, and so long as you have that crass, unenlightened individualism that blinds you to your social obligations and makes you feel that you stand apart from your fellow men, you will always have a society in which there are criminals. That is the soil out of which criminals spring, the lack of social obligation and the lack of social sympathy, these are the things that create criminals. Unless therefore you get rid of these conditions you will never get anywhere at all. I think it would be well if this country or any other civilized nation would make an experiment in abolishing this outworn expedient, not with the hope that things will be immediately improved.

Unfortunately I cannot entirely share the view of those who are arguing in support of the bill, that the abolition of capital punishment will not involve greater responsibilities on the state than heretofore. The moment capital punishment was abolished there would devolve a tremendous responsibility upon society, and society would be exposed to a new situation. I will go thus far with the opponents of the bill. But what does that signify to a civilized and enlightened community? It would simply steel people up and put them upon their mettle. I argue for the bill therefore because I think it will help the Canadian people to recognize their social responsibilities and would induce us to remove those conditions that create the criminal. I do not believe in tampering with the constitution or in doing away with institutions if there is nothing of a constructive character to substitute in place of what is rejected. The fault of this individualistic age is that the virtuous men go forth shouting, "down with this and down with the other," and are too individualistic to see that when they have cast out one devil seven others are likely to take its place. I believe that in Canada at the present time there is a sufficiently strong social sentiment and sense of oneness, a sufficiently

developed sense of economic justice, for us to be able to dispense with this outworn expedient which is a disgrace to any highly civilized people, and to usher in instead a regime of social improvement and of educative effort that will in time largely eradicate criminal conditions and render criminals just as impossible as the present antiquated method of dealng with them is out of date.

Miss AGNES C. MACPHAIL (Southeast Grey): Just twice in my life have I come closely in contact with capital punishment. The first time was the day that I wrote my entrance to normal examination. I will never forget that day; it was in Stratford, Ontario, and as we passed the jail on the way to the collegiate institute the black flag was at half mast and I knew of course that this meant that capital punishment had been executed, that the extreme penalty of the law had been enforced that morning. I have not forgotten the feeling I had then. I felt that society as a whole had deliberately contemplated and taken the life of this man, who it is true had taken the life of another. The second time I came closely in contact with capital punishment was last week and I am not likely to have forgotten the fact so quickly. I was reading about a week ago that they used to hang people in England at one time for picking pockets. They had public executions and the picking of pockets at these public executions became so prevalent that they had to abandon the public execution of pickpockets. When we are trying to teach children to be truthful do we lie to them? I think not. Or if we want to teach people to be honest, do we steal? If we want to teach the hater to love do we hate him? Well, then, if we want to teach people to respect and revere human life, that which we can take away but cannot give, can we do so by taking human life? It seems to me that if we are going to really reverence human life we must as a society refuse to take it; we must come to the view that punishment should be of a reforming character rather than revengeful. It is true that the taking of life is wrong, but two wrongs do not make a right. To me life is sacred, and because it is such a sacred thing that I personally could not take the life of any one, even though that one had taken the life of another, I support whole heartedly the bill that is before the House.

Mr. H. C. HOCKEN (West Toronto): I am not at all a sanguinary individual; I never had any desire to see the rope around any one's neck. But I do not think there ever was a more inappropriate time than the present for parliament to take up such a question as that which is under consideration to-day. There are men going around this country shooting anybody who gets in their way, sometimes merely for the purpose of taking money from some individual; and for fear that that individual will defeat their attempt to rob some one else they shoot him, as has happened within the last few days.

Mr. LOGAN: And we have capital punishment.

Mr. HOCKEN: Yes.

Mr. IRVINE: Why did it not stop it?

Mr. HOCKEN: You will not stop it by making the penalty less than it is to-day, and any one who argues thus is, in my judgment, talking in a perfectly futile way.

Mr. SHAW: Will the hon. member prove his statement?

Mr. HOCKEN: I am going to let it go with my assertion. There is nothing a man values so much as his own life, whether he be a murderer or not. There is nothing that will deter a man from murdering another so much as the fear of losing his own life. That is the one thing above all others that he desires to protect and preserve, and I cannot agree with those who argue that by removing the penalty of capital punishment we are going to reduce the frequency of murder. Those who argue that capital punishment has not curtailed murder might as well argue that in providing a very excellent home for drunkards and thieves, a place that is very much more a home than a prison, you are creating the very best conditions that can make for the discontinuance of thieving. There is a gaol farm near Thornhill in the province of Ontario where drunkards, thieves and other petty criminals are given every advantage that accrues from living under wholesome conditions and engaging in farm work. They are as well fed as if they were living at the Queen's Hotel; I do not mean to say that the bill of fare is as varied, but it is as wholesome. These men are not overworked, but they are given sufficient exercise to keep them in sound health. But we still have drunkeness and other vices in the province. I would have hon. members understand that I am in favour of dealing with petty criminals in a tender way if there is any hope of reforming them; I would not treat them with unnecessary harshness. But I want to see those who break the laws restrained; they must be restrained. However, those who commit what might be called

petty offences, as compared with murder, are well treated all over this country. But that does not stop their criminal career. Men go out of the gaol farm I am referring to and commit the same offences for which they were first put under restraint. Now, if the application of the golden rule which my hon. friend speaks of were effective, these men should not commit similar offences within a week or two of regaining their freedom.

Mr. WOODSWORTH: Has the hon. gentleman studied any statistics showing the proportion of those who after being given their parole do not offend again?

Mr. HOCKEN: Yes, I believe a great many of these petty criminals do not come back, and on the whole I think the system works out fairly well. I do not mean to say that every criminal on leaving the jail farm resorts immediately to a life of crime. I do not think my hon. friend will argue that every man sent to jail for close confinement goes back to a career of crime immediately on regaining his freedom. Many men have been reformed during the course of their imprisonment. But I am arguing that if, as is claimed by some speakers, gentle treatment is going to reform criminals, such treatment has not so far proved to be a specific in restraining such men from further crime. They have criminal instincts and appear to be incorrigible.

Mr. GOOD: Does the hon. member contend that there is a smaller proportion of real reforms effected under the present so-called lenient system than under the previous system?

Mr. HOCKEN: No, I do not so contend. I do not know, but I hope that a larger number are reformed under the present system. That is the reason why municipalities in my province spend hundreds of thousands of dollars annually to support such institutions. Every effort is being made to reform the criminally inclined, but crime is still committed. It is all very well to talk about the sacredness of the life of a murderer, but I think we should have some regard for the sacredness of the life of his victim. The man who has no more regard for society and for the sacredness of the life of anyone who stands between him and the possession of a few dollars is, in my opinion, getting no more than just punishment when he is called upon to give up his own life for having committed a cold-blooded murder. Those who argue there is anything cruel about such a sentence I think fail to see the real measure of justice that is behind it. Capital punishment is not applied in a spirit of revenge. Who is there to revenge? The family of the victim have no power to revenge the death of their relative. Society must protect itself against the murderer and must, by using certain methods, render it impossible for that man to commit a second murder.

Now, if we are to follow out some of the social programmes of reformers, we shall have to begin with every child and see that it is trained in such a way that it will not become a criminal. That is what I assume our schools and churches are trying to do to-day with the children of all classes—teaching them to be moral, to obey the law, to be good citizens. But in spite of all these beneficent agencies, men and women coming from what might be considered good homes fall into evil ways and commit various crimes leading up to murder. Who is to determine whether this child or that is defective until it has done something which demonstrates that it is sub-normal? I do argue that nothing should be done in a collective way to improve our social life, I am ready to support any agency to that end, but I submit that if you remove all the penalties and punishments for crime you remove every deterrent against wrong-doing, and if you remove capital punishment, my judgment is that you will have many more murders, because if a man is inclined to commit murder—and I am speaking of deliberate cold-blooded murder, not of an act arising out of passion—and he is conscious that he will not have to surrender his life but will be committed to the penitentiary, he knows that inside of a few years by submitting to the prison discipline and building up a record for good behaviour he will regain his freedom, that man I say will not be deterred so much in his actions as if he knows that upon conviction for murder he will forfeit his life. There can be no deterrent equal to the forfeiture of a man's life, and any person who argues differently has, I submit, lost sight of one of the fundamental characteristics of human nature. A man will give everything to preserve his life, and if capital punishment does not deter him his case is hopeless.

Since the war closed we have had a series of the most unprovoked, deliberate, cold-blooded murders that have ever disgraced civilization.

Miss MACPHAIL: Does not the hon. member think that the reason for such murders is that the war itself was simply an utter disregard for human life on a large scale?

Mr. HOCKEN: I think there may be a great deal in what the hon. member says.

We looked upon the taking of human life during the war with a good deal of indifference as compared with our attitude in peace, and it may be that a good many of these bandits were closer up to the fighting line and have carried into civil life the practices of war. But take the cities of this continent, you find men organized in gangs who for a few paltry dollars do not hesitate to shoot down people. Such men are simply man-killing tigers, and it is not safe to allow them to be at large.

Mr. IRVINE: Does the hon. member think that I am proposing that the man-killing tiger shall run loose?

Mr. HOCKEN: No, but I am pointing out that the resolution means that he would ultimately get out.

Mr. IRVINE: What resolution?

Mr. HOCKEN: The resolution before us, I am pointing out that if you do away with capital punishment—

Mr. IRVINE: There is no resolution before the House. There is a bill before the House.

Mr. HOCKEN: Well, call it a bill.

Mr. IRVINE: There is no such proposal.

Mr. HOCKEN: All right; I stand corrected—it is a bill that is before the House—not a resolution; and the bill is to abolish capital punishment and give the murderer a chance to go into the penitentiary for a few years and get out again.

Mr. IRVINE: Who says that? Do you say that?

Mr. HOCKEN: My hon. friend knows very well that while the penalty may be life imprisonment there is hardly a case where a man remains in the penitentiary until his death. The clemency of the Crown is sought by his relatives and by societies such as my hon. friend speaks for, which will get up petitions signed by the yard, asking for clemency for this man and for that. So that after a few years in the penitentiary, with reasonably good conduct—that is, if he does not run amuck and kill somebody else—the convicted man is released. Has the time spent in penitentiary reformed him? Has it made him a good citizen? Is he likely to be a saner and better man when he comes out than when he went in? I do not think so. If he has criminal instincts, inherited, as my hon. friend suggests, and developed by environment, they are certainly not removed by life in the penitentiary, where he is herded entirely with criminals and is not subject to the beneficent influence of decent society around him as he is when he is out of prison.

I think it is a very great mistake for us even to discuss a question of this kind in the House at this time, for if ever in the history of Canada it was necessary to bring before the criminal population of the country the fact that there is a real penalty and that for murder the penalty is forfeiture of life, that time is now. If this thing is a disease, do you not think steps should be taken to discover it before it breaks out in that murderous form? And if every man who is a criminal or betrays criminal instincts is to be treated as a subject for hospital, then we had better get to work and build hospitals in every county. If you are going to house under detention every defective and every feeble-minded person—because you will have to do that if you want to guard against the development of the criminal instinct in those who are defective or feeble-minded—then you must have institutions in practically every county in the Dominion of Canada.

I believe, Sir, in doing everything that can possibly be done to instruct the youth of this country in the penalties for offences as well as in the satisfaction of doing right. I am not altogether satisfied that our universities and our whole educational system are upon the right basis. I think a good deal more might be done in the way of educating the children to-day so that they will grow up not only to know that it is wrong to commit crime, but also to understand that if you want to live a decent, a good, a happy life, they must do right. The thing to do is not to tell boys and girls that they must not do this and must not do that. The thing to do is to teach them what they ought to do because it is right and keep them busy doing right. I am not sure that our schools are doing that as effectively as they might. At all events you will not make any progress in the elimination of murder within this country by removing the one penalty that is best calculated to deter the criminal from that offence.

9 p.m.

Mr. JOS. T. SHAW (West Calgary): Mr. Speaker, I think the hon. member for East Calgary (Mr. Irvine) is to be congratulated on having presented to the House in a very definite and clear-cut way the argument against capital punishment. I think he is further to be congratulated on having eliminated from his consideration the question of sentimentality: he has endeavoured, and, I think, successfully, to present the argument in the light of cold and calculated reason.

I agree with the hon. member for Brandon (Mr. Forke)) that if any member of this House were asked to draw the bolt which might drop some unfortunate individual into eternity, he would hesitate to undertake the task. But we must not forget that as a parliament, we constitute the hangman of the nation. Upon us rests the responsibility; we cannot shelve it off on some mortal whom we may delegate to draw the bolt on a particular individual. The responsibility rests collectively and individually upon this parliament, upon every preceding parliament, and upon every parliament, for continuing in existence this method—I think this barbarous method—of extinguishing life. So I say it is a solemn and a serious matter and one which should engage our very earnest consideration.

It cannot be denied that punishment by the state has, generally speaking, two objects to serve: First, to punish the individual, and, in cases other than those in which the capital sentence is pronounced and carried out, to reform that individual, and, secondly, to deter those under temptation from committing similar offences. Now, in examining this question I think it is well for us to determine on whom the onus lies of establishing whether or not this system should be continued. I venture to say, and I do not believe there is a single member of this House who will contradict me, that the onus rests upon the advocates of capital punishment to establish beyond a doubt that that is the system which will deter the commission of similar offences. Let there be no mistake about that, because I want definitely to charge the Minister of Justice (Mr. Lapointe) and those who think with him that the responsibility is theirs to establish to the satisfaction of this House the necessity for the continuance of this system of punishment.

What are the essentials that must be established? It must be established, first of all, whether or not capital punishment is a deterrent; secondly, whether it is the sole deterrent, and, thirdly, whether it is indispensable. Those are the three factors that must be established before this parliament can be justified in continuing to act as the hangman of the nation. When we commence to discuss the deterrent value of capital punishment—because so far as the person who is executed is concerned that is the only substantial question with which we are concerned —we enter at once into a field of surmise and of conjecture. I venture to say that no one can distinctly state what the deterrent value of capital punishment is. If you take a look at the figures you will find, for example, in the United States, where in some states they have capital punishment and in other life imprisonment, and where they have gone from one variety to the other and back—that there is substantially no difference in the figures. I believe that if the figures prove anything they prove that there is little difference in the result, whether life imprisonment or the supreme penalty of the law is exacted.

Realizing his responsibility in this matter, the Minister of Justice has given us certain figures with which to establish the contention that capital punishment is essential, and, I suppose, to prove that it is a deterrent. Well, now, let us take his figures. He compares the three Anglo-Saxon countries, the United States, England and Canada. He shows that the number of murders committed in the United States is much larger proportionately than those committed in Canada and that in Canada the number is proportionately smaller than it is even in England. We have capital punishment in all these places. Does it prove what the Minister sets out to prove? Not at all. What it does prove is that if we are to believe reports that come to us from time to time from the United States, it is not the severity of punishment that counts as the deterrent factor; it is the certainty of punishment that counts; and so I venture to say that the figures given in that connection by the minister do not in any sense at all establish the object for which I presume he gave them.

Then he gave us certain other figures. He found himself under the necessity of going into the field of war for the purpose of producing some figures. He tells us that the Australian troops were not subject to the death penalty in the case of desertion, that at the outset of the war no such rule prevailed in the Canadian corps, but that among the English troops the death penalty was always exacted for desertion. He produced no figures in that connection but gave the statement of some writer, and we do not know whether that gentleman produced any figures or not. But the situation is altogether different. That was not a society of men organized for purposes of peace. That was a society of men organized for purposes of war—a most unusual and most unlikely situation from which to extract figures to prove that capital punishment was desirable. In the next place I venture to put before the House the situation with regard to a young soldier who has been charged with desertion. Just imagine his situation. Here he is, on the one hand, facing danger and the possibility of death. We know nothing with regard to his physical condition, we know nothing with regard to his mental condition, and under these circumstances, fac-

ing an unknown future and perhaps overcome and losing control of himself, he deserts the army and goes into the back areas. Now surely the minister, if there is anything in his argument at all, could have gathered from some other course some arguments that would have justified him in saying that capital punishment is in deed and in fact a deterrent to the commission of murder by other people. I want in this connection to read just a short statement made by the same gentleman from whom the hon. member for Brant (Mr. Good) quoted this afternoon:

> Here, on the bare plane of justice and expediency we might let our argument rest, in the full confidence that a system which violated those canons of civilized living cannot much longer be endured. But the problem has a deeper aspect. The whole upward struggle of humanity is an effort to realize and consecrate new human values, a nobler range of feeling. It is not enough to "let the ape and tiger die"—the one must be supplanted by the man, "looking before and after;" the other by the finer feelings which are embodied in the humanitarian sentiment to which I have previously referred. What, then, can be said for a system of punishment which keeps reviving in us the sentiments of hatred and cruelty which are our worst inheritance from our animal forbears? We aim to inculcate a respect for human life by ourselves showing our contempt for human life. Some of the most tragic effects of this procedure have been noticed in an earlier part of this paper. But there is no way of estimating the more general and subtle demoralization which it produces. It is probably no exaggeration to say that every execution is accompanied by a distinct lowering of the moral tone of the entire community. Its only redeeming feature is the horror it excites in the more sensitive natures. To the much larger number, to whom it presents itself as an act of vengeance, a gratification of primitive blood-lust, it is an unmixed moral evil.

May I commend this further statement to the hon. member for North Waterloo (Mr. Euler)?

> From this point of view, there is little to choose between the various methods that are "mercifully" employed to inflict the death penalty. The guillotine, the hangman's rope, the electric chair, the lethal chamber—all are equally revolting to humane feeling; all become equally sensational, all are equally cruel. Indeed, the cold blooded, deliberate killing of the criminal by the state, by whatever method,, is the refinement of cruelty, and the victim dies a hundred deaths before he is mercifully relieved by the actual extinction of life and feeling.

Further on he states:

> It is an over-simplified view of a complex social phenomenon that makes it possible for us to believe that a grave menace can be seriously modified by the processes of legal justice. I am sure that many who seem to favour capital punishment will agree that such a phenomenon as the persistence and increase of the murder rate in our civilization has a profounder cause than the inefficiency of our system of criminal justice and that if we are to eradicate or even appreciably modify the evil, we must go to the root of the matter, find the deep-lying causes, and deal with them. It is not the murderer, but murder, that is our enemy. The primitive method of striking blindly, in impotent rage, at the life of the offender has had its day, but it still obscures our vision as to the real nature of our problem.

[Mr. Shaw.]

I say that in this matter we cannot rest our vote upon a matter of mere sentiment. We cannot rest it upon a mere matter of conscientious feeling, however sincere that may be, and so I ask each and every member of the House: Are we to leave this House to-night with this parliament continuing as the hangman of the nation, placing our judgment only upon mere sentiment or upon a mere conscientious conviction, however sincere it may be, when in fact and in reason we should usher in a day when justice shall become humane and when humanitarianism shall become wise.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): This subject has been up almost every session since I have entered the House. It has always been received by hon. members with interest, carefully treated and disposed of. One cannot help taking an interest in it no matter how frequently it is presented, but I stand to confess I would take infinitely more interest if I felt that our present practice of inflicting the death penalty were in any real danger of being abandoned. If I felt that we were at all near any imminent peril in that regard my interest in the subject would be quickened in the extreme. I am opposed, resolutely opposed, to the motion.

One needs to examine first, what is the present law and practice. Under the law of Canada, as of Britain, as of many other countries the most advanced in the world, the death penalty is inflictable for murder, inflictable here also for treason, and as well for the crime of rape. I do not propose to discuss the wisdom of the law in relation to the latter two, because the whole principle at stake is more simply discussed when referred merely to the first.

In practice the death penalty is actually inflicted when murder is first proven to have taken place, and murder under our Code has so narrow and clear a definition that it must be atrocious and cold-blooded to come within the terms of the law.

But after the jury's verdict and the sentence there is vested in the Department of Justice a power of review, and it is only a fair statement of the practice to say that any circumstances that go to show the lack of appreciation, the mental inferiority of the accused, even far removed from actual insanity, or other circumstances of a strongly mitigating character, operate to relieve the victim from the extreme penalty. So that we are left in the position, in the actual practice of our law, that the most atrocious cold-blooded instances alone are followed through to capital punishment.

The question before us is, should this penalty be done away with in such cases? First of all, I will seek to remove, if I can, some of the, what seems to me, mere confusion that has been advanced by way of argument in support of the motion. It is said that after all crime is latent, that it is a social growth. Crime is not, we are told, so much the actual positive, wilful wrong-doing blamable on the perpetrator as it is the outgrowth of bad, social conditions, inborn sin, wrong social relations, or perhaps the result of some blood legacy in the offender, for all of which he personally is not responsible. I am ready to give some weight to these allegations. I am ready to assume, for the sake of argument, if for nothing else, that crime is pretty much the outgrowth of imperfect social relations and conditions. I am ready to admit, for the sake of argument if for no other reason, that the man of criminal instinct is pretty much the victim of heredity. I do not know how far those contentions are true; I believe they are true to some extent. But wherein do these things affect the case? They go to show that we certainly should seek to improve our social conditions, that the first object of legislation should be the amelioration of our social relations. It goes to show as well that we should do what we perhaps are not doing, that we should take more practical steps to improve the conditions of heredity under which the child is born. I am ready to agree that those conclusions follow from the hypothesis laid down by certain hon. members whom I have heard.

But do any other conclusions follow? After we have done our best in these regards, criminals still remain. The problem of the criminal is still with us. The obligation to protect society is still here. What are we going to do? Are we bound to say that because underlying causes are there, perhaps far more powerful than the wilful, responsible inclinations of the accused, on that account we should not follow through the most atrocious crimes to capital punishment? It is just as logical to say that we should do away with the whole system of punishment altogether. It is just as logical to say that no offence against society should be punished at all, that our whole penal code should be swept away. When one states the case in that form, it removes altogether, at least from my mind, what is sought to be erected on this theory of unsound social conditions as an argument against the application of the extreme penalty to the perpetrator of capital crime. Punishment is a practical necessity. The history of all ages shows that we must inflict it. It has to be done, or we cannot hold organized society together.

Let us come therefore to what is the appropriate, or I had better say, the effective, punishment for the true purposes of all punishment, as applicable to that class of crime which I first of all described. What are the true purposes of punishment? One of them was stated by the hon. gentleman who has just spoken to be vengeance against the accused. I disagree with him. I do not think that is any object of legal penalty at all. The real object is, as he says, two-fold. It is first to provide a deterrent against crime, to the perpetrator, and to others; and secondly the object is reformative as regards the accused. Both are sought to be served by the whole philosophy of our penal system. In the minor grades of crime, the second takes a very important place. As the grades of crime become more gross, more abhorrent, more heinous, more atrocious, then the first must become more and more important. The blacker the crime, the more perilous it is to society, the more overwhelming must be the weight given the deterrent effect of the punishment in deciding what the punishment shall be. The blackest of all crimes of course are those for which the capital penalty is allotted. It is undoubtedly therefore true that in those cases the consideration which we must keep mostly before us is the deterrent effect of any punishment we apply. I am free to admit that punishment should be no greater than is sufficient to bring about the maximum of deterrent effect, no matter how heinous the crime. It may be that in earlier centuries for offences of a minor, or what one might call a medium character, punishments unnecessary for deterrent effect, and inappropriate in every respect were imposed. But before I would castigate too freely our ancestors in this respect, I would desire to understand just what were all the circumstances of those times. I fancy if all their conditions were understood we would conclude that they were, perhaps, not in mental stature or in political judgment very far our inferiors. But we are judging now of the times in which we live, and before we conclude to apply, in place of the punishment of death, the punishment of imprisonment, or any other punishment for the offence of him, who, in cold blood and for the motives that virtually always animate a murderer slaughters his fellow-man, we want to know what that punishment is going to prove by way of a deterrent, because if we are not sure of its efficacy to this paramount end, we

shall probably be merely submitting the innocent to a fate from which the guilty have been relieved.

I have heard some figures presented by the Minister of Justice (Mr. Lapointe), for the purpose of establishing that the experience of civilization had shown—and he spoke, of course, of the civilization of to-day—that these crimes of the blackest enormity, were deterred best by capital punishment. He advanced two classes of statistics. First he showed that the death penalty had proven the best deterrent in the case of the crime of desertion. His illustrations, are disputed as to their application by the hon. member for East Calgary (Mr. Irvine). I really could not follow the argument of the hon. member. I know the offence of desertion differs from the offence of murder; but what has that fact to do with the question as to the relative merits of capital and other punishment as deterrents? It has been proven in actual practice that stern necessity compelled the application of one punishment and one alone as effective against the offence of desertion. The deduction from those statistics is plain; it is that that punishment is feared the most, which proves the most effective to prevent—namely the capital penalty.

But the Minister of Justice (Mr. Lapointe) brought figures as well to show that, as applied to the offence of murder, the death penalty had proved there also the most effective. He compared the results in the United States, in Canada and in England, and he showed that in Canada and England murders were much the less frequent, in Canada the least frequent of all. The hon. member to my left, says: "Oh, but in all those countries they have capital punishment, and the only difference is that in the United States the certainty of the penalty is not so great as it is in Canada and in England." But the United States has experimented with other penalties for many years. The United States to-day have some states, I do not know exactly how many—

Mr. LAPOINTE: Eleven.

Mr. MEIGHEN:—eleven states to-day where capital punishment is not applied, and in some others—I could name one or two now—they suspended the application of this punishment and tried other experiments for a time, but the awful results showed that they had to return to the sterner penalty. No, the United States is not in the position that Canada is in. There, they have asylums for murderers, which we do not have, and because they have those asylums, murder there is more rampant than it is here. It is quite true that the certainty of the penalty is even more important than its adequacy; and the conclusion is that, no matter what the penalty, we should not relax our efforts to make its imposition certain, and it is to the glory of this Dominion that we have not so relaxed. To this circumstance we attribute in considerable degree the paucity of capital crime which we enjoy. But we cannot deny that it is due also in very great degree to the fact that rigidly and sternly we have adhered consistently to the death penalty, that we can boast of our comparisons as against the United States.

On other occasions, I have investigated these statistics myself, and I believe many more could be adduced to support the contention of the Minister of Justice, that when one places the death penalty against other punishments and compares them as deterrents, the death penalty has a place all by itself. Life is sweet to everyone, and there is something, I suppose, of the coward in us all. But there is no man who so values his life, and who feels so poignantly the coward's fear of death as the fiend who goes out, for his own gain or to appease some selfish animosity or lust, to slaughter his fellow man. Such a creature fears death himself infinitely more than does his manly brother who holds sacred human life.

But if we did not have statistics, and if we did not have some experience with the criminal, surely our knowledge of human nature in general would teach us that nothing will stay the hand of the man with murder in his soul like the fear of death. One has to put oneself in the position of the intended victim or one close and dear to that victim to know just what the situation is. We are all inclined to have some sympathy for the unfortunate creature who has to face the ghastly tragedy of the hangman's noose, and as time passes from the murderous event, we are likely to become more and more sentimental or sympathetic. But let every hon. member place himself in the position, say, of the father of the home who finds that a fiend in the form of man, to appease his lust or his love of gold, has broken into his home and slaughtered wife or child. Would he feel that any sufficient deterrent would be held out to others if it were the law of Canada, that such a fiend should be kept for the rest of his life at the expense of the state, and the public taxed to reform him? No, the hope of reform, that element or phase of the purpose of punishment does not take any very important place when we come to deal with

those who take the life of their fellows. There, the deterrent element must be held supreme. All other elements amount to little. I for one am profoundly convinced, so profoundly that I am sure nothing, even infinitely stronger in the way of argument than anything I have heard to-day, could move me, that the very security of society, all that we hold dear, depends upon maintaining strong and stern the death penalty against the most vicious of all crimes.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to associate myself with the leader of the opposition (Mr. Meighen) in the remarks which he has just made with reference to the bill that is before the House. I think every hon. member of the House feels the great responsibility which rests upon him in even pronouncing an opinion with reference to a matter affecting human life. I am sure all of us are viewing this question from the point of view of the value of human life, and what will make most for the preservation of human life, and, may I add, of innocent human life. If I believed that the bill which the hon. member for East Calgary (Mr. Irvine) has introduced, would make for the preservation of innocent human life, would make in the end for a greater saving of human life, as is his object in proposing to substitute a sentence for life instead of the death penalty, I would vote with him. But I believe to the contrary; I believe that the deterrent effect of the death penalty, having regard to human society as it is constituted and to human character as we know it, is in the end to protect innocent people from the murderous assaults that may be made upon them by some of the individuals who compose our human society.

If I had had occasion to address the House on this subject some years ago, perhaps, I might have spoken a little more in the vein in which my hon. friend from East Calgary has spoken to-day. Since that time, in the short period within which my colleagues and I have been entrusted with the added responsibility of having to advise His Excellency whether or not the law shall take its course in cases of murder, I have had to consider, as my colleagues have also had to consider, and as my right hon. friend opposite and his colleagues when in office had very carefully to consider, in the case of every murder that has come before the cabinet for consideration, whether or not human society would be better protected in the long run by a sentence for life than by enforcement of the death penalty in case of murder. There is no graver, there is no more serious, there is no more trying duty imposed upon a minister of the Crown than that which he has to exercise in being obliged to advise His Excellency, with respect to every capital case, whether or not the law shall take its course.

There is one factor in our country of which I think account should be taken in passing upon this question. Were capital punishment lightly inflicted, were it a matter of lynching where murder has taken place, we might well pause before consenting to such a course being permissible. But under British law every man, and no man more than one accused of crime, is protected by all the safeguards which human ingenuity has been able to devise for the purpose of ensuring a fair trial. The murderer is brought before a court of justice and there he or his counsel has the right to challenge those selected to serve on the jury until he secures to try him, twelve men whom he believes to be fair and impartial, twelve of his fellow men. Judges have no more desire to see human life ended than have other individuals in the community. There is no judge who in a matter affecting life and death addresses a jury lightly; nor are there any twelve men who compose a jury who view lightly the verdict which they give. But that is not all. After a court has had the facts before it, and after the jury have considered every circumstance very carefully, where they find the circumstances justify the imposition of the death penalty upon a man or woman who has committed murder and the penalty is imposed, the case then comes before His Excellency in Council for consideration. There the facts relevant to every case are reviewed by the cabinet as a whole. The Minister of Justice has the grave responsibility of reviewing the entire evidence; in presenting the matter to his colleagues for consideration he invariably takes into account every extenuating circumstance. Mention has been made to-day of possible mental infirmity and other circumstances of a like nature,—

Mr. FORKE: May I point out to the Prime Minister that neither the judge nor the jury has anything to do with the death penalty. Their business is to find out whether the accused is guilty of the crime. This parliament, however, has to do with the penalty.

Mr. MACKENZIE KING: I think I understand the force of what my hon. friend is saying. Certainly the judge and jury do not execute the death penalty; but they realize that the result of their actions may determine whether or not a particular individual may have to suffer the penalty of death. They are the judges of the facts, and if

they find that the act is one of premeditated murder, the taking of a human life, they know that the result of such a verdict will be that the murderer will be hanged.

Mr. FORKE: It would be a miscarriage of justice if they did not render a verdict according to the evidence. The judge has no responsibility in the matter; in imposing the death penalty he simply carries out the law of the country. Consequently the responsibility rests upon the people who make the law.

Mr. MACKENZIE KING: I appreciate that fact. The same kind of responsibility rests upon every member of the government in advising His Excellency whether or not the law must take its course. What I am trying to point out is that it is not a matter of quick judgment, it is not a matter of hasty decision, it is not a matter of chance as to whether an individual under British law will be hanged or not. One charged with the crime of murder is likely to be hanged only after a large number of conscientious men, feeling gravely the responsibility which they are called upon to exercise, sincerely believe that the act which has been committed was a premeditated murder of some innocent human being. If I believed that in the long run, more innocent human lives would be saved by permitting those who are guilty of murder to serve a life sentence than is the case under executions, I would support my hon. friend. I view the whole question from the standpoint of the preservation of human life in our society. What course will most effectively save innocent human lives? I believe that the death penalty does have a deterrent effect, and I feel that more strongly because of the knowledge I have of the number of capital cases that have come before the cabinet in the short time in which this government has been in office, where we have had before us the circumstances of every individual case of murder that has taken place. These cases have revealed clearly the fact that the men who have been found guilty of murder have premeditated the crime for the most part from motives of lust or avarice Were they and others like them to suffer only life imprisonment for their crimes, knowing the psychological effect exercised upon other minds and natures when such crimes are committed, I believe that the number of murders would vastly increase once the death penalty were abolished. For that reason I am opposed to the principle of the bill.

Mr. IRVINE: Has the Prime Minister examined the figures in this regard in relation to other countries that have abolished the death penalty? Upon what ground rests his belief that the abolition of capital punishment would lead to an increase in the number of murders that are being committed?

Mr. MACKENZIE KING: So far as figures are concerned, it has often been said that statistics can be made to prove anything, and I believe that to be largely true. Only last evening I was speaking regarding this very matter with a gentleman who represents a large number of religious organizations. He mentioned to me the fact, which has been cited this evening, that in some of the American states where the death penalty was removed the number of murders considerably increased. In one state where a referendum was held the people themselves because of the increased number of murders that were being committed, repealed the law which had removed the death penalty.

Mr. IRVINE: That is the only one known.

Mr. MACKENZIE KING: No, I would not say it was the only one. However, I judge this matter, as one is obliged to judge everything, in the light of our knowledge of human nature and in the light of all known facts and circumstances. I can assure my hon. friend that if he had the responsibility which I have where a criminal is to be hanged, of being obliged as President of the Council to sign the recommendation to His Excellency to allow the law to take its course, he would doubly feel the solemnity of standing in this House and advising that hanging should be continued as the penalty for murder. Because I have that responsibility I am the more anxious to exercise it in the light only of what I honestly believe will make most for the preservation of human life in this Dominion. I do believe that the retention of the death penalty, surrounded as it is in Canada by all the safeguards which British justice affords, will serve more effectively to afford protection to members of our human society, than any change in the law which would substitute the life sentence for capital punishment.

Mr. FORKE: One word of explanation. The question I asked the Prime Minister had nothing to do with any argument for or against the death penalty. I did not ask the question from that angle. I asked it to point out the fact that neither the judge, nor the jury, nor the minister who afterwards considers the petition for a reprieve is responsible for the death penalty; they are simply carrying out the law as enacted by parliament. That was the idea behind my question.

Mr. MACKENZIE KING: I quite understand my hon. friend. I would add to what he says,—that they are also responsible for the possible consequences of removing the death penalty and substituting some other penalty therefor.

Mr. FORKE: Certainly.

Hon. E. J. McMURRAY (Solicitor General): Mr. Speaker, with a full sense of my responsibility as a member of the government and with a full appreciation of the position taken by my chief (Mr. Mackenzie King) and by the Minister of Justice (Mr. Lapointe), and of the particularly able argument of the right hon. leader of the opposition (Mr. Meighen), I still feel bound to adhere to the opinions which I have formed upon the question of capital punishment after long years of practice in the criminal courts defending men charged with murder.

The question has been ably canvassed to-day, without any sentimentality. I think we need offer no apology for supporting the bill now before us. Some of the ablest men in the world have been in favour of the abolition of the death penalty: statesmen, such as Bright and Gladstone; jurists such as Grotius and Bentham; reformers such as Osborne, and Robespierre immortalized himself and practically overcame the evils of a life time by his eloquent address in opposition to the death penalty. Highly civilized nations both past and present have abolished capital punishment; for instance, the people of Athens, and of Holland,—nations that rank high in the history of the world. So that to-day the abolition of the death penalty is an appropriate subject for debate.

I agree entirely with the right hon. leader of the opposition that there can be only two grounds for inflicting punishment on criminals: first, the protection of society; second, the reformation of the individual. I believe that punishment plays but a very minor part in the prevention of crime. The scientific study of crime is exceedingly interesting. As the Minister of Justice pointed out, crime varies in different localities and among different people, and at different seasons of the year and under differing economic conditions. In our country we find that crime increases during migration and diminishes when people are tied to home and kindred.

In olden times the criminal code of England was as bloody as is the code of Japan to-day, but although the death penalty applied to 147 crimes, such as highway robbery and sheep stealing, and thousands of people were executed every year, still capital punishment did not have the effect intended and crime continued. Making allowance for the advance of civilization which the right hon. gentleman in his closely reasoned argument referred to, it has been shown that capital punishment does not prevent crime. Hon. gentlemen have pointed out that after the war murder and other crimes of violence increased in this country, clearly demonstrating that the death penalty is not a preventive. I believe that those who commit murder are not deterred by any penalty, however severe.

The sources of crime are manifold. Many murders are committed under the influence of drink or of narcotics, and when men become angry and lose control of themselves they act regardless of the consequences. Then again some murderers are mentally incompetent. Take the case of the recent bank robbery in Montreal to which my hon. friend from Bonaventure (Mr. Marcil) referred. Those men probably knew what the penalty would be, but still they did not hesitate to commit murder. So I do not think that hon. members have succeeded in proving that capital punishment prevents crime. There is no doubt that it is a deterrent. But the question is: Is it a greater deterrent than life imprisonment?

In many states of the union, particulary in the state of Michigan, homicide is punished with life imprisonment. The man who assassinated President McKinley could have done so in Detroit, and would have been subject to life imprisonment; but he followed his victim to Buffalo, and suffered the death penalty for his crime. But what appears to me to be the strongest argument against capital punishment is this. The state demands from the murderer an absolute, definite price—his life. Before the state is entitled to demand that penalty it should prove beyond all peradventure that the accused is guilty. Law is not an exact science—criminal law least of all. Take a trial for murder, the chances are that knowing the lawyer for the defence you may be fairly certain what the verdict of the jury will be. There are differences in human nature. An inexperienced lawyer may select his jury carelessly and the chances are that the man he is defending will go to the gallows, whereas if the same prisoner had been defended by a lawyer of wider experience who had a better knowledge of the law and of human nature, with perhaps a different judge presiding, the accused man might have been acquitted. That is exactly the practical working of it.

Mr. MERCIER: There is a judge and jury, but there must also be witnesses.

Mr. McMURRAY: Oh yes, there must be witnesses, and there is one of the great difficulties. Evidence is not always reliable. Circumstantial evidence is not reliable, direct evidence probably less so. We have had a number of cases where men have been wrongfully convicted. I happen to hold in my hand a clipping I took from the Ottawa Journal last year just about the time this question came up; it is typical of what is occurring and has been occurring in various parts of the world. It says, referring to a United States case:

> Innocent man was serving a life sentence. Youth confesses to murder of policeman for which other man sent down. Prisoner always held that he was innocent. When told he would be freed, McKinney said he always believed he would get out.

Had that taken place in a state where capital punishment was provided for, the innocent man would have been hanged; as it was, he had been sentenced to life imprisonment. I have here also, cut out about the same time, a picture of a young Greek who had been convicted and sentenced to a long term of imprisonment in the state of New York. He maintained his innocence, and after a long hunt over the United States, away in distant California they located a man who confessed that it was he who had committed the crime. There was a case like that in England, which every lawyer in this House is no doubt familiar with, the case of Adolf Beck. Adolf Beck was a Swedish engineer, and one night when he went out to buy a newspaper he was accused by a woman of having swindled her. He protested and said, "I will hand you over to the police if you do not leave me alone." He was taken to jail, tried, convicted and sentenced to imprisonment for five or seven years ,all the time protesting his innocence. He applied repeatedly to the Home Secretary for consideration of his case, and finally after serving, I think, four years of his term, was released. Shortly afterwards he was again arrested, charged with practically the same crime, and again sent to prison.

Mr. PELLETIER: It showed that he was not a good boy.

Mr. McMURRAY: As a matter of fact he was a good boy, because it was discovered that he was innocent; a man who was his exact double stood in the Bow Street Police Court of London and confessed to the crime for which this Adolf Beck had twice been convicted. The British government gave Adolf Beck £5,000 and immediately created the Court of Criminal Appeals, an institution which they have in England now and which in my humble opinion, we should have in this country.

Should the state put itself in such a position that a man who is wrongfully convicted of an offence and pays the price cannot be compensated, cannot be saved? That is the position we are in. If life imprisonment is as great a deterrent as the other, then why should it not be adopted? But leaving that out of the question altogether, should we put ourselves in a position under which we may send an innocent man to death? The Minister of Justice (Mr. Lapointe), the Prime Minister (Mr. Mackenzie King), the right hon. leader of the opposition (Mr. Meighen), the hon. member for Bonaventure (Mr. Marcil), have told us about the system of review in these cases. It is very easy to imagine that you are reviewing a case when you read over the dry, matter of fact report as it is placed before you in your office, but you should be in the court to see the witnesses and get the local colour and the local touch. You cannot get that by merely reviewing the matter in your office. Everyone who has taken part in court procedure knows the solemnity and the earnestness with which these trials are conducted; there is a feeling of terrific responsibility when human life is at stake. But, I say, are we to put ourselves in the position under which we may have the innocent suffer? This is not a fancy. Baron Kelly, a name to conjure with in the field of law, as my legal friends here know, made the statement that in forty years in England twenty-two innocent men had been hanged. Sir James McIntosh stated just about the same time that one innocent man a year was executed in the British Isles.

I agree with the hon. member for West Calgary (Mr. Shaw) when he says that the burden of proof that capital punishment is necessary is upon those who are in favour of continuing the system. It is on them to show that capital punishment is a greater deterrent to the committing of murder than life imprisonment.

There is just one further point that I should like to mention in this connection. A man who is convicted of murder goes to his cell. I will not distress the House by attempting to draw a graphic picture, but it is simply this: The convicted man dies a thousand deaths. He is left there for a month or two months and night after night he goes through hell, goes through purgatory. The punishment is too much.

An hon. MEMBER: What about his victim and what about the victim's family?

Mr. McMURRAY: Well, the suffering of the family is nothing to what this man suffers But in any case, why should we bring the state down to the same
10 p m. plane; why should we impose torture upon the man in the cell because the family of the victim suffer? Will it relieve the family of their suffering to know that another man is day by day going through hell waiting for the gallows? In many states of the United States the death penalty has been abolished. In some it has been reinstated; that is a matter of opinion. I do believe that the death penalty was instituted because it seemed to be an appropriate penalty. The idea was not altogether the protection of society; it was more in accordance with the theory of "an eye for an eye and a tooth for a tooth"; that if a man takes life it is appropriate that he should lose his own. The code carrying that provision, however, seems not to go the full distance.

If you are going to execute the murderer, are you going to execute the man who attempts murder? Our code says no. Why not? If the man who attempted murder had the determination to kill, and was prevented from doing it, if it is necessary to protect society why do you not execute the man who attempts murder? No; that is on the statute book; it has dragged down behind the old appeal of retribution and revenge.

I still hold the opinion I held some years ago, that capital punishment is not a deterrent, that it has within it that which might inflict a terrible wrong that could never be repaired. I do not think the state should leave itself in that position where there is a danger of that awful wrong being inflicted. If society is not protected more by capital punishment than by some other system, if we can prevent these odious executions that are taking place in our land and that are not necessary, then I think Canada will be marching forward, and will have struck down one more of the barbaric institutions that have come down to us from the past. I have no hesitation in voting whole-heartedly for the resolution brought in by my hon. friend.

Mr. A. M. CARMICHAEL (Kindersley). I have listened to many hon. members from this quarter of the House advance their views in reference to this bill, and I think without exception they have all followed along the same line of thought. I do not know whether I am of a very perverse nature or not, but I find I am not in agreement with my compatriots in this corner. I do not find my mind running along the same line of thought as theirs.

Listening to the debate I have been wondering where we get our authority for capital punishment. We have had references made by different members to Canadian custom; we have had statistics quoted from American practices; we have had some take us across the water and quote the British traditions and practice; but I have been led to ask myself the question: Are any of these countries really authoritative in their practices? Can we base our custom on what any one of these countries do? And I have been led to run my mind back to the written record we have of the first murder that happened some six thousand years ago. At that time Cain slew Abel—the first murder we have record of. Now the only punishment that was meted out to Cain was a mark placed upon his forehead. I do not think he was given life imprisonment; he was allowed to run at large. Well, Mr. Speaker, I do not think that was a deterrent to crime, because we find that as civilization rolled on century after century for some six thousand or more years, there was a law instituted against murder. That law came to us not through a person that was revengeful, not through a person that was barbaric in nature; that law came to us through that great leader Moses who, the record tells us, was the meekest man in all the earth; and it did not seem to just fit in with my ideas to hear this practice of capital punishment classified as being barbaric and as something that was so hideous when it was handed out to civilization by a man of the character of Moses. And, Mr. Speaker, he did not originate the practice. The capital punishment idea was given to man by the One who created mankind. On Mount Sinai the Divine decree was: Thou shalt not kill. Now if any man or any woman dares to take upon himself or herself the right to violate that Divine decree and go out and kill, it is right that they should be subject to the penalty that was instituted at the time that decree was given.

Mr. McMURRAY: Will the hon. member allow me a question. He has referred to the first murderer, Cain. Does he know why the law put a mark on Cain, as set forth in the Scriptures? I may be questioning the hon. member too closely. If I remember aright, it was that nobody should slay him.

Mr. CARMICHAEL: I am prepared to accept the interpretation of the hon. member.

Mr. McMURRAY: Not the interpretation, the fact.

Mr. CARMICHAEL: I am dealing now some fifteen hundred years this side of that mark. We find that that mark did not deter murders, and that was the reason why a different method was given by the Creator. As I stated, the penalty for taking life was that life should be taken. If a man or a woman took the life of a human being the Creator said that he or she should pay the penalty with his or her life, and that law was given to us by the meek man, Moses. Now, generally speaking, we can say that our Canadian law is based upon Bible law, at least in a great many respects. For instance, in reference to our marriage custom, if we wish to define the relationships in marriage we go back to Bible law and base our practice on what is said there. I am rather sorry to state that in reference to divorce we also go back to the Mosaic law. We jump over the New Testament teaching and the prohibitory legislation enacted in the New Testament, and go back to the Mosaic law in respect to divorce, and we in parliament sanction many cases of divorce that we should not. Now in reference to the taking of life, are we going to leave behind the Mosaic practice and follow the New Testament teaching, which, of course, we know prohibits the taking of life. The New Testament teaching I realize is entirely different from the old Mosaic law. The New Testament teaching is one of loving your enemies, it is one of turning the other cheek, it is one of resisting not evil; but, Mr. Speaker, I wish to state right here that there is no nation that is Christian in the full sense of the word. Christian means Christ-like, and there is no nation that is Christ-like in every detail. Nations are not wholly and completely Christian, while individuals in them may be and are. Therefore if our nations are not Christian or Christ-like we must revert to the Mosaic law to govern ourselves in regard to crime and its punishment.

Now what do we find present conditions to be? We find murders prevailing, bank robberies, forgeries, conspiracies, wars and such like. If we had in our country such conditions as New Testament teaching outlines we would not have these things existing, and there would be no need for capital punishment. But we do not find these conditions prevailing; we find that man will go out and take the life of his fellow man. I recall that the mover of the bill advocates a term of imprisonment as punishment for the crime of taking life. I was led to think, Mr. Speaker, of an instance that happened about a year ago over in England. I remember the case quite well. It was about the time this bill was on our order paper last year, but it did not come up for discussion, so that no argument was advanced pro or con. The particular case I refer to was that of a young married couple in England. The wife was about 25 years of age, and her husband was probably five or six years older. Another man entered upon the scene and had covetous desires towards this particular wife, and he and the wife plotted together to get rid of the legitimate husband. It was a premeditated cold-blooded plan. They arranged that on a particular night, when the husband and wife would be returning from the theatre, this second man should murder the husband. The plan was carried out and the husband was murdered. The wife professed great sorrow for the death of her husband and he was buried. But evidence was adduced to show who the real murderers were. They were brought to the bar of justice. They were given a fair and just trial and were condemned to death. Both were hanged. I was led to ask myself the question if, instead of the capital penalty being imposed, these people had been imprisoned for life, what would have been the effect on society?

In addition to that, I would like to point out the fact that our prison life to-day is something that is not to be dreaded. I listened to a lecture in this city last year by General Hughes, outlining to us the conditions of prison life as it is experienced at Kingston. He told us the size of the cell and stated that they had clean linen there if not every day, every other day. They had running water in their rooms. In fact I was led to think, when he was outlining the conditions of the prisoner in the cell, that the conditions were much more enviable than the conditions of our homesteaders on the prairies. Now, realizing that the conditions were such, if this particular man and the wife, these murderers, were placed under such conditions, would that be sufficient punishment for them? Would that act as a deterrent to others and prevent them from planning and hatching similar crimes. Indeed it would not. These people would remain in prison for perhaps ten years, possibly only five; then public sympathy would be worked up in their favour and they would be given their liberty. The chances are that they would then get married, and their example would be a great incentive to the commission of similar crimes. If I were to look at the case from a sentimental point of view I would feel like abolishing the death penalty; but when I consider it from the viewpoint of my duty towards mankind and towards

society in general, I do not feel that, under present conditions, we would be wise in abolishing the death penalty.

Hon. T. A. CRERAR (Marquette): The subject matter of the motion of my hon. friend from East Calgary (Mr. Irvine) is of very much greater importance than many of the matters that are considered by this House. It is inevitable that sentiment should very largely enter into the consideration of a question of this character. I regret very much, Mr. Speaker, that I have only heard a portion of the addresses given by hon. members on this question. I was not aware that the matter was coming up to-day and was absent for a time from the House. But after listening to the arguments presented so far as I have heard them, I think the only substantial argument advanced against the proposal of the hon. member for East Calgary is that it is a deterrent to the commission of the crime of murder—that by the imposition of the death penalty an influence is exercised upon some to deter them from the perpetration of the crime of murder. I cannot agree with the soundness of that argument. I doubt if there are any people who have committed the heinous crime of murder who have calculated for a second before the act, the consequences of the crime they were about to commit. It is a curious thing how psychological influences operate upon the minds of men. It is a fact, I think acknowledged beyond dispute, that a crime committed, even the crime of murder, may in itself be an incentive to other crimes. We know for instance that we have such things as epidemics of suicide. I recall several instances of that, where the mere fact of a person jumping over a bridge into a river had the effect psychologically of inducing other people to do the same thing. The same holds true in respect to murder, and that is one of the factors that operate, and no sentence of hanging, or the death penalty in any form, will be a deterrent in that case.

Mr. LAPOINTE: The hon. member states that a man who commits murder does not consider the consequence of his act. Does he not think that men sometimes do not commit murder because they calculate what the consequences of their act will be?

Mr. CRERAR: While the argument of my hon. friend might have some weight, I do not think it has a great deal of weight. But my support of my hon. friend from East Calgary rests upon other grounds mainly. I think it is a dreadful thing, Mr. Speaker, to have a miscarriage of justice. My hon. friend the Solicitor General (Mr. McMurray) gave some very illuminating evidence in his address to-night on this question—perhaps the most pertinent evidence that has been presented in the discussion of the whole matter in the House this afternoon. There is not only a possibility of a miscarriage of justice through an innocent man being condemned, but there is also the possibility of a guilty man getting off scot free, because the penalty of death would be imposed if he were convicted. And how does that arise? It arises mainly through appeals to the emotions of the jury, and through appeals to the sensibilities of the public; which also re-act on a jury when the case comes to trial, after the crime is committed, the person charged with it is incarcerated. The case is one of public discussion, and preconceived notions often exist in the minds of juries before they go into the jury box, which notions, notwithstanding their oath when they enter that box, notwithstanding how honest they may be, are bound to influence their judgment when they come to the question of rendering their verdict. I recall an eminent criminal lawyer telling me on one occasion that he had defended more than thirty men charged with murder and that only one of them had been convicted.

An hon. MEMBER: A good lawyer.

Mr. CRERAR: He was a good lawyer in that line. I know of cases where an appropriate place in the court room was selected for the accused"s wife, or his children, or his mother, or his relatives, and an appeal made to the sentiments and emotions of the jurymen under these circumstances, a plea that the accused should not be sent to the gallows. Men sitting in the box, charged with the grave responsibility of deciding whether one of their fellow men should be sent to the gallows or not, give their verdict for acquittal, sometimes when the weight of evidence is strongly against the accused.

That, however, is not the most serious part of the whole matter. There is the possibility that an innocent man may be sent to the gallows. There is the certainty that, in many cases, innocent men have been sent to the gallows. The Solicitor General (Mr. McMurray) to-night cited cases, not one, but several, where innocent men charged with the crime of murder were convicted and paid the supreme penalty of the law, and it was later discovered that they were innocent. We know of many cases where men have maintained their innocence of the crime when standing upon the very trap that was to send them to

eternity. The Prime Minister (Mr. Mackenzie King), the leader of the opposition (Mr. Meighen), and also the hon. member for Kindersley (Mr. Carmichael) have dwelt, I think, in rather an exaggerated way, upon the tremendous suffering, the loss, the feelings of the friends of a person who has been murdered. But there is the reverse side of the picture. I would rather that one hundred men convicted of murder—guilty, if you like—were sent to the penitentiary to expiate their crimes there instead of expiating them on the gallows, than that one innocent man should suffer death through maintenance of the death penalty. That, to my mind, is one of the strongest arguments in favour of a reconsideration of this question. No matter how honestly, how impartially we endeavour to administer justice in respect of, not only this matter, but others, we know that justice sometimes miscarries, and I can imagine nothing that is more to be deplored than this very fact that an innocent man might suffer the supreme penalty of the law for this crime. For those reasons I propose to support the motion of the hon. member for East Calgary.

Mr. C. H. DICKIE (Nanaimo): Mr. Speaker, I wish to say just a few words on this question. I have no expectation but that the motion will be defeated, otherwise I would have prepared myself to speak at greater length than I intend. I am not such a desperate character as the hon. member for Nelson (Mr. Bird), who would take one end of the rope and hang a man on the other end, although I may say that, listening to this discussion, there are times when I would feel almost in favour of widening the scope of hanging. I have heard the argument advanced that hanging has no deterrent effect. Let me explain lucidly to the House where it has a deterrent effect. I knew well a young man who murdered a man in cold blood in British Columbia. He was imprisoned. He escaped from prison and after escaping he murdered another man. He was recaptured and escaped again, but fortunately he was recaptured immediately after. That man deserved to be hanged; he was what we knew as a "killer", and if he had been hanged, he certainly would not have murdered the other man. That would have had a deterrent effect, I am sure.

Some hon. MEMBERS: Oh, oh.

Mr. DICKIE: Hon. gentlemen will say that if the young man had been kept in prison, the second murder would not have occurred. It is quite a common occurrence in the West for men to escape from prison, but I never knew a man to escape after he had been hanged. In the early days of British Columbia, before we had so many theorists abroad in the land, we had a judge named Begbie, a man pretty well known throughout America. He was a man of magnificent physique, wonderful mental qualities and absolutely fearless. In those days we had bad men coming into British Columbia from Arizona, California and Mexico. Judge Begbie would go north by himself, and if he could not find a man to hang a murderer whom he had found guilty, I believe he would have hanged him himself. He may have done so on one occasion. He sentenced a number of people to be hanged, and the name of Judge Begbie was known through the whole of the Northwest. When bad men would come to Victoria, or Vancouver, which was a hamlet in those days, people would say to them: "Watch out or Begbie will get you". His name was known throughout the whole Pacific coast. I cannot say whether Judge Begbie considered that the hangings were a deterrent for murder, but every man in British Columbia would agree with me in saying that they had a deterrent effect. We had law and order throughout British Columbia when we had a turbulent population there, and it was due to the fear of that judge that we had law and order at that time.

Mr. T. H. McCONICA (Battleford): Mr. Speaker, I had not thought to discuss this question, but I have had some experience with condemned criminals. I was, for a part of my early life, one of the managers of a large penitentiary, and I came into contact with a number of men who were under the death penalty. I feel the responsibility that rests upon us as members of this parliament in casting our vote upon this question, our responsibility to the criminal and our responsibility to the men, women and children of Canada. We are told that sometimes innocent men are found guilty. That is very rare in these days, it is so rare that no such thing can be found, or, at least, in no such case is capital punishment inflicted. We are told that some mentally deficient people commit murder. True, but they are not subject to the law which we are discussing.

The question for us to determine to-night is whether we shall permit any criminal, no matter how fully matured he may be, no matter how dastardly may be his crime, no matter how long he may have premeditated it, to offend against society with impunity in the total absence of the death penalty? I

am not prepared to advocate any such thing. It is said that capital punishment is not a deterrent. Well, let a man be convicted of murder and sentenced to execution and immediately he and all his friends bestir themselves to have that sentence commuted to life imprisonment. Why? The penitentiary looks like a paradise to that man. Is capital punishment a deterrent? Ask yourselves the question. Which would you rather take a chance on—the penitentiary or the gallows? That is the question. What criminal finds it difficult to secure an associate? It is the criminal who has the reputation of being a killer. His fellow associates steer clear of him because they know that, if he does kill, his crime will bring down the extreme penalty of the law upon himself and his accomplices. The death penalty is a deterrent because as soon as men are aware that it faces them they begin to do everything in their power to have the sentence commuted. Take the case of a man who with gun in hand enters your house, steals your property and shoots down any man, woman or child that happens to be in his path to thwart him. He has that deliberate, well-formed purpose in his heart, and he goes from your house to another man's, and possibly another's and kills three or four, being finally arrested and convicted. Now, our Minister of Railways (Mr. Graham) says he ought to have a chance to reform. I say, that kind of a man has put himself beyond any state of that kind. He is given an ample opportunity to square himself with his Maker if he wants to improve his time, but generally such men do not do this; they forfeit all claims upon humanity. Such a man is an outcast, an outlaw. Cain it is said was not hanged. Well, Cain did not know what the effect of hitting a man on the head with a club would be because he was the first fellow that tried it; they could not convict a man of premeditated murder in those days when a man did not know anything about murder. But where a man deliberately and premeditatedly goes out to kill he puts himself beyond the pale of human sympathy, and we should exercise ourselves not in sympathy with the criminal but in sympathy with the thousands of men, women and children throughout the country whose lives are in our keeping. Human life is too cheap in Canada to-day. Look at such incidents as have occurred in Montreal. The thing for us to do at this time is to maintain the supreme punishment. It may not deter everybody, because what will deter one man will not deter another, and vice versa; and I think that everything we can do to prevent crime we should do to-day.

Mr. C. G. POWER (Quebec South): I had not intended taking part in the debate, but within the last few minutes an argument in favour of the retention of the death penalty has struck me and I think perhaps hon. members may feel its force as I do. There is in this matter the element of protection to society. We are all aware of that natural instinct of the human heart to resent as strongly and as energetically as possible any injury which has been done to us or to those who are near and dear to us. We know the old biblical law, an eye for an eye and a tooth for a tooth. Every one of us, I think, has that desire, in some degree, to avenge himself on those who have done him a wrong. This feeling, as we can see throughout the pages of history, has been inherent in man from time immemorial. In times before law and order was enforced, when the savage, barbaric instincts held full sway in the heart of man, it was the generally recognized thing, when the member of a family had been killed who himself was guiltless, for those who belonged to him to take the life of the slayer. That, as the Solicitor General (Mr. McMurray) observes, is the avenge of blood. Now, whatever we may say to the contrary, this feeling still animates mankind; and in order to obviate the taking of justice by private individuals into their own hands society has decreed that the law shall avenge crime and see to it that retribution shall overtake the criminal. The surest evidence that this feeling still prevails is to be found in what is happening in the United States. There, as has been pointed out, law enforcement has fallen into disrepute. It has been found that murderers are not punished, so that men are taking the law into their own hands and applying the principles of lynch law while the state has neither the power nor the energy to intervene to protect the rights of private citizens from violators of the law. Unless therefore some measures are taken, cruel though they may appear, barbaric as they may seem to some hon. gentlemen, but necessary for the protection of society, we shall have private citizens, without the sanction of the law, and without giving to the murderer a fair trial, executing vengeance upon those who take life.

My hon. friend from East Calgary stated, with that sincerity and conviction which we all admire, that the onus of proving that the death penalty should be maintained is on those who urge its retention. Let me call his attention to the fact that the verdict of history is in favour of those who wish to retain capital

punishment, and that throughout the ages it has been found to be the only means of deterring people from committing this crime. He is on safer ground when he argues that we cannot produce statistics, for not every man who feels like committing murder goes about telling his neighbours that he does not do so because he is afraid of the hangman's rope. If we could collect statistics of such people who were deterred by reason of their fear of the death penalty, I think the figures would prove overwhelmingly the contention of those who are opposed to the bill.

The hon. member also debated with the Minister of Justice the propriety of his referring to certain statistics respecting the death penalty for desertion during the recent war. He stated that the cases were not similar, that in war men's minds were abnormal. In my view his argument only strengthens the position of the Minister of Justice. After all, the soldier who did not desert because he feared the death penalty had been taught—with all due respect to the hon. member who says we are as guilty as the hangman—to be a killer; that was his job. If he was a well-trained soldier he should have had no respect for human life, yet when he was told he would be shot if he was found deserting in face of the enemy he remained at the post of duty.

The hon. member also stated, with some degree of warmth, that the members of this and preceding parliaments were individually and collectively in the position of the common hangman. The answer it seems to me is very simple. It is true we are responsible for the death penalty, but as yet we have not asked anybody to commit the crime which is punishable by that penalty.

Mr. McMASTER: Neither has the hangman.

Mr. POWER: That is true, but the hangman comes in after, and he has not had an opportunity of warning the gentleman for whom he performs this final office that he will be hanged if he does a certain thing; whereas we have.

Harrowing stories were related by the Solicitor General which to my mind went to show the fallibility of our laws rather than their injustice and cruelty. If our institutions were such that no crime could be committed, then I think his argument would be perfectly sound. But he argues that an innocent man may suffer the death penalty. And the hon. member for Marquette (Mr. Crerar) said he would be prepared to abolish capital punishment rather than see one innocent man hanged. I think the argument works both ways. If, as the hon. Minister of Justice says, the death penalty prevents one single murder, then it has justified its existence. It is true that to take away the life of an innocent man is regrettable, but, after all, as has been well said, he has had ample time to arrange matters with his Maker, he has been surrounded with all the consolations which religion can afford him, he has had all the sympathy which sickly sentimentalists may give him, and in many cases he has had every opportunity of having his case fully placed before the public and even of going to his death in a fashion which, to his mind, deserves glorification. Under the circumstances I cannot help but feel that in the present state of our civilization, until such time as we all become so perfect that there will be no possibility of anyone committing murder, and there is no longer in the heart and mind of the human race any fear of death, we must retain the death penalty.

Mr. T. G. McBRIDE (Cariboo): It seems to me, Mr. Speaker, that law is the mother of liberty, but liberty so guarded that it guarantees the freedom of all. Are we to preserve that liberty in Canada by allowing criminals at large or by dealing lightly with them? I do not think that it is in the best interests of this country that we should do so. A good deal has been said by the supporters of this bill in sympathy with the criminal, but very little sympathy has been extended to their victims. A few evenings ago I read in the paper that a man hired another to kill his wife, and while she was engaged in prayer the assassin took her life, the callous husband standing by. Are men of that type entitled to any consideration? Is the supreme penalty not good enough for them? I do not think anything is too severe for such people.

Now, one hon. member here mentioned the returned soldier, and suggested that as the men had been accustomed when at the front to take life, that had an influence on their conduct in this country. I take that insinuation as an insult to our returned men. It is not the returned soldier who is committing murder, it is rather the slacker who remained at home who is doing it. I do not think that any insinuation of that kind should be made in this House against our returned men.

Mr. D. W. WARNER (Strathcona): Mr. Speaker, I would not like to let this occasion pass without stating my position in the matter.

I have listened to the discussion with a great deal of interest, and we must all admit that there is a great deal of argument on both sides. It is very easy to present a very strong

case when only one side of it is dealt with. I do not wish to go into the matter at length, because it has been dealt with in all its phases by others who have taken part in the debate. But there is no doubt that the responsibility in this matter is upon parliament. As the leader of this group (Mr. Forke) says, the responsibility is not with the jury, it is not with the judge, it is with parliament that makes the laws for Canada. I am willing to take that responsibility, but I must vote what I consider to be the right way in the matter.

We must deal with people as they are, not as we would like them to be, and we must take the necessary action to-day, not at some time in the future. If we pass this bill abolishing capital punishment, we must take the responsibility. I do not say that hon. gentlemen arguing in favour of the bill are not perfectly willing to assume that responsibility, but I want to tell the House that I am not ready to assume it, because I am not convinced that it is a safe proposition. It would seem to me that more sympathy has been evidenced in this discussion for the criminal than has been evidenced for the public. We owe protection to the public, and I am afraid that there would not be as much protection if we abolished capital punishment, and that is my reason for voting against this bill. I want to feel while I live in Canada that I have the very best protection that human effort can give me. I do not say that any law can control all the factors in the situation. I believe that murders have been committed when no thought was taken by the offender as to whether he would be hanged or would go to the penitentiary. Where premeditated murder is committed I contend that it is not fair to show greater sympathy to the offender than is shown to the public. If I thought that imprisonment for life would be as effective as the death penalty in the case of murder I certainly would feel like supporting this bill, but I do not believe that life imprisonment is a sufficient deterrent. I do not believe that the public would get the same protection from the life imprisonment sentence that they would get from the continuance and enforcement of the capital punishment system.

11 p.m.

Of course, in common with every other hon. member of the House, I must follw my judgment in a matter of this kind. I have had my mind made up on the subject for a good many years. There was a time when I rather felt I would like to see capital punishment abolished. That was a good many years ago, and just about that time one of the states in the Union abolished capital punishment. I watched the effects of that change, and I became convinced from the results shown that capital punishment was a greater deterrent, because more murders were committed in that state when capital punishment was abolished. Subsequently the death penalty was restored in that state, and crime then decreased. I do not know about many of the other states, but that was the result in one case which I myself observed. Since then I have watched the matter very closely.

Mr. IRVINE: Will my hon. friend say what state he refers to, what were the years in question, and what were the figures?

Mr. WARNER: I do not know just the years; I have no record of it except in my memory. I am not certain whether it was Massachusetts or Connecticut, but it was one of those two. But I do not think it matters what the particular state was or just what the year was; the matter was impressed on my mind at the time and now I am convinced that the same result will follow in any case where capital punishment is abolished. I would like to feel that it would be safe to abolish capital punishment, and I have always felt like giving any criminal a fair chance. But the public must be protected, and to that end I must lay aside my personal feelings and do what I believe is best for the people generally.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I did not intend to take part in this debate, but on account of the turn it has taken I feel that I should put myself on record and state the reason for the attitude I intend to take when the question comes to a vote. The hon. member for Strathcona (Mr. Warner) has suggested that those supporting this bill seem to be more anxious to protect the murderer than to protect society. From my close attention to the debate, I have not understood the support to this bill, in that way. I feel that the supporters of this bill are just as anxious to safeguard society as any who have expressed an intention of voting against it. The hon. member for Cariboo (Mr. McBride) said that he was not in favour of criminals going at liberty. I do not think any of us are, but the trouble is that there are too many criminals at large all the time. The probability is that there are far more criminals at liberty than are ever caught, and they are not criminals of the type that usually are caught and who eventually get sent to the gallows.

In my opinion there are many murders brought about indirectly. You find crime

wherever there is great poverty. You find more crime in the larger cities than you do in the country because there is greater poverty there. Wherever there is a large amount of wealth taken from the masses of the people and poverty created thereby, there you are most liable to have crime; but the real murderers in many cases are perpetrators of the schemes by which the people are taxed to the extent of their wealth.

The hon. Minister of Justice (Mr. Lapointe) made mention of the fact that a large percentage of the crimes committed in this country were committed by foreigners. I submit Mr. Speaker, that those foreigners did not come from the northern part of Europe, but probably from the great centres of Europe where the standard of living was very low indeed, and it was because of that standard of living and because of their environment, that after they came to this country a certain percentage of them have been added to our list of criminals. An instance came to my mind the other day of a death that was caused at a large meeting of the depositors of the Home Bank. A woman overcome with despair at the loss of all she had in the failure of that bank died at that meeting. Who will say that the murderer of that woman could not be found among the officials that have been guilty of wrong doing in regard to the Home Bank? I think there has not been sufficient stress laid in regard to those criminals, who are either never caught, or are in such a position that there is very little chance of their ever going to the gallows. Wherever you find poverty, and especially great poverty, you will find crime, and when you do away with poverty you will do away with crime. For that reason I am willing to support the bill before the House because I believe that the great thing for us to do is to pay more attention to our social laws, and try to improve society, so that in the future there will be less and less crime and such laws as we have in the criminal code to-day making it possible to take away life will be unnecessary.

Mr. H. A. FORTIER (Labelle) (Translation): I must at the outset, Sir, state that I am in favour of maintaining capital punishment, and therefore I shall vote against the proposed amendment of the hon. member for East Calgary (Mr. Irvine). Our laws governing the death penalty are similar to those in force in England, France and the United States. We are therefore keeping good company. These laws have borne the test of time, and I think we should preserve them such as they are. If I understand rightly the spirit of the law, our legislation as regards the death penalty, makes a distinction between two classes of murderers. There is, first, the man who is a danger to society, the criminal who is no longer in a position to appreciate human life. Such a person is really a social danger, and, it behoves society to do away with him. It is the duty of those in authority to exercise a guardianship, to protect the life of innocent persons by suppressing this degraded man, this human brute. Our legislators like those of other civilized countries have justly maintained the death penalty.

Besides this degraded murderer there exists another class of assassins which is met with in these distressing days when one of our fellow-creatures' life is treacherously cut short. I am referring to the person in whom murder is an event really accidental. Indeed, among those who have committed homicide, we have often noticed that the murderer was a good and respectable person, well thought of by his fellow-citizens. One day, under the influence of anger and passion he strikes one of his fellow-men. In the life of this man murder is purely an accident. We are at a loss to account for it. The public looks upon such a sad event as a regrettable accident. This murderer is not like the one previously mentioned, a degraded citizen, one who may be termed a brigand, a wild beast. He is rather a citizen of high moral standing, who, on the spur of the moment, committed homicide; he is the victim of passing passion which, for the time being, has deprived him of his senses and judgment. I think there should exist some clemency for this man. Our Canadian legislators have made provision for the case of an accidental murder in the life of a good citizen. Indeed, article 1077 of the Criminal Code states that an appeal can be made to the Governor-in-Council and that the death sentence pronounced against such a murderer may be commuted to a life sentence.

I am, therefore, of the opinion owing to all these reasons, that our laws are equitable, because they aim at punishing as it deserves the degraded murderer, and that on the other hand they give protection to the person who, in a moment of aberration, has caused the death of one of his fellow-citizens. I am, therefore in favour of maintaining our laws and I shall vote against the proposed amendment.

Mr. T. W. CALDWELL (Victoria and Carleton): At this hour I will not detain the House at any great length. However, on account of the fact that I have repeatedly

expressed myself as opposed to the imposing of the death penalty, and on account of the fact that I propose to vote against the passing of the bill, I desire to make a brief explanation. As I said before I have repeatedly expressed the opinion that I was not in sympathy with the imposing of the death penalty. However, Mr. Speaker, considering the fact that there is at the present time a wave of crime sweeping over the country, I think it is a very inopportune time to abolish the death penalty. In the case of those who have so actively engaged in crime, and those who are possibly contemplating the carrying on of crime, it would be like handing them a reprieve in advance. Therefore, Mr. Speaker, I feel that I should make this statement before I vote against the bill.

Mr. IRVINE: It has been a pleasure to me to listen to this debate. I hope that all hon. members who have spoken on this subject, on whatever side they may have argued, will have said what they may wish they had said twenty years from now; and if they have, then I am not afraid of their happiness in the future. Much has been said about feeling, and if I have any criticism to make of those who have opposed the measure, it will be largely because they have been feeling a great deal more than they have been reasoning. Although I have detected, I think, a slight inclination on the part of one or two hon. members in their minds to creep out after their feelings in a search for any real basis upon which to justify themselves in supporting capital punishment as we now have it. I crave the indulgence of the House for a few minutes in order to go over some of the matters that have been advanced as arguments. The hon. gentleman who has just spoken (Mr. Caldwell) has given us a very strong argument for the abolition of capital punishment. He tells us that under capital punishment crime has been increasing so rapidly that he would be afraid to try anything else. That is a strong argument.

Mr. CALDWELL: I rise to a question of privilege. I did not make any such statement. I do not wish the hon. member to put words in my mouth.

Mr. IRVINE: I did not say he made such a statement. I was simply giving his argument. We have capital punishment now, have we not? The hon. member has always been in favour of abolishing it, he says, but crime is so bad under capital punishment that he is afraid to abolish it. Is that not his argument? I do not think I am misrepresenting him at all. Then the hon. member for Strathcona (Mr. Warner) tells us that he is convinced that if capital punishment were abolished crime would increase, because at one time he was in a state—in Kentucky or Massachusetts, one of those two he is not quite sure—and while he was in that state a great wave of crime swept over the state, and he concluded that it was on account of the abolition of capital punishment. Now, unfortunately for the hon. gentleman neither of those two states which he was convinced he was in has abolished capital punishment yet. The states which have abolished capital punishment are, Arizona, Kansas, Maine, Michigan, Minnesota, North Dakota, South Dakota, Rhode Island, Tennessee—

Mr. WARNER: I would like to refute what the hon. gentleman has been saying, but he talks so "easy" I hardly think it is worth while.

Mr. IRVINE: If I thought the hon. member could refute me I would not talk so "easy," in fact I would talk harder if I thought he would find time to refute my statements. I have given him facts. I cannot help it if they have not abolished capital punishment in these states mentioned by him, but these are the actual facts.

Mr. WARNER: If the hon. gentleman talked a little louder I could hear him. I could not hear him, and I could not keep very good track of all he said.

Mr. IRVINE: The next hon. gentleman who attempted to argue against the measure proposed was the hon. member for Quebec West (Mr. Power). I am sorry to see he is not in his seat, but his objection was that if we abolished capital punishment the same thing would happen in Canada as happened in the States, which, according to his argument, was that lynching became very popular. Now my hon. friend said in his opening remarks that he just got that idea while in his seat. I think that if he had got the idea two weeks ago and verified his idea with facts, he would not have made the speech that he made. I must quote facts again with regard to the point he raised. I will quote from a volume which is at the disposal of hon. members of this House in the Parliamentary Library. The quotation is as follows:

> But we are told that if the state will not execute the people will; that lynchings which have discredited us in the eyes of the civilized world, are the direct result of our failure to apply the death penalty with promptitude and celerity. Even so distinguished a publicist as Dr. Andrew D. White, if the newspapers quote him aright, is inclined to this opinion, and under certain conditions

is disposed to regard lynching with favour as an abridgment of the law's delay. If this opinion be correct, as numerous writers aver, we shall of course, find the majority of lynchings in the states that have abolished the death penalty. What are the facts? In the last fifteen years two of these states have had not a single lynching. Of the others one has had two lynchings and the other four, while Georgia, the state that leads all others, with 172 executions, also stands second, with 237 lynchings. Texas follows with 140 executions and 183 lynchings. Alabama almost duplicates the record, with 119 executions and 206 lynchings; while Mississippi, which falls a little behind with 97 executions, leads all the states with 249 lynchings. Of 1,900 executions and 2,240 lynchings in the United States in the last fifteen years, twelve states, with less than one-third of the total population, performed, 1,090 executions and 1,747 of the lynchings. Almost without exception executions and lynchings go hand in hand. This fact that "he who runs may read" should dispose forever of the excuse that the state must execute to prevent the people from taking the law into their own hands.

My hon. friend ran so fast that he evidently did not read at all.

Mr. GARLAND (Bow River): What is the title of the book that the hon. gentleman is reading from?

Mr. IRVINE: It is the Debaters' Handbook on Capital Punishment.

Mr. POWER: Written many years ago.

Mr. IRVINE: My hon. friend also advanced another argument before he took his seat. I think we must give him the credit of putting capital punishment on its proper basis, namely, revenge. He found that there is revenge in all human life; that out of revenge, capital punishment had developed, and by revenge, capital punishment had been sustained. We must give him cedit for being absolutely honest in his utterance; but he said that if we can prove one single case of murder that capital punishment has prevented, that would justify the continuation of capital punishment. I agree with him; but does my hon. friend mean to say that a single case has been proven by any hon. member of this House to-day? Not at all. In fact, I do not recall any hon. member having made an attempt to prove that. Those who have expressed their opinions in opposition to this measure have said with great firmness that they believe capital punishment is a deterrent; that they have a feeling it would restrain criminals; that they are afraid to alter the present law lest crime would increase, or some such statement; but no one has made an attempt to prove the deterring influence of the death penalty.

The next hon. member that I want to comment briefly upon is the hon. member for Battleford (Mr. McConica). He thinks capital punishment is a deterrent. He has no proof except himself. He says—I am paraphrasing his argument now; I am not quoting it—hon. members of this Housce should ask themselves: What stops you from committing murder? Is it not the gallows you see rising up in your imagination? What am I to infer from the argument of my hon. friend? Am I to suppose that the only reason why he does not make an attempt on the life of the Prime Minister is that after he has figured out all the ways in which he might do that, the gallows come right in front of him, cowardly fear turns him aside and he refuses to commit the murder? Is that the argument that he has put forward?

Mr. POWER: I suggest that the victim that he looks for is more likely to be the hon. member for East Calgary (Mr. Irvine).

Mr. IRVINE: In that case I am profoundly glad that there is something that stays the hand of the hon. member for Battleford.

I come to the hon. member for Kindersley (Mr. Carmichael), who had never heard that Moses was a barbarian, and who had discovered that the New Testament taught something much more noble as a standard of living than that of the Old Testament. But he shakes hands, good-bye, to the New Testament, and he says that we must go back to Moses, back to the "eye for an eye and a tooth for a tooth," back to the law of the jungle. We must despair of anything like Christianity becoming a practicability in this world. But what that has to do with the abolition of capital punishment, I am afraid I did not catch.

I come to the argument of the Minister of Justice (Mr. Lapointe). If I recall aright, he opened his argument by putting himself and the Right Hon. Arthur Henderson in the same position, and he said that the Right Hon. Arthur Henderson was considering this matter very carefully. I hope that when the Right Hon. Arthur Henderson has concluded his consideration and given the result of his deliberations to the world, he will give us more reasons for maintaining capital punishment than the Minister of Justice has done. I say that will all respect to the undoubted ability of the Minister of Justice. I think the House will agree with me; if they do not now, I would ask them again to read his arguments to-morrow, and I think they will agree with me that he did not give us a real argument. He spoke of a high sense of duty, which no doubt he has. He gave us his convictions. I believe he was sincere, and as such, I respect his sincerity and I hope he will mine. But that is not an argument. I cannot accept the sincerity, or conviction, or

mere belief of the Minister of Justice. I have assumed that we are living in a reasoning age, and also that this parliament is a place of reason, although the hon. member for Strathcona (Mr. Warner) says that he made up his mind a number of years ago, so that all the arguments to-day have been wasted as regards himself. I have, however, assumed that this is a place where we listen to reason, and I look for reasons. I tried to base my arguments on reason; I carefully avoided making an appeal to passion. I or any other hon. member could stand up in this House and make an appeal on the basis of emotion that would make you cry for the sake of the prisoner. You could also make a man cry in thinking of the victim, as the leader of the opposition (Mr. Meighen) attempted to make us do. So I avoided studiously making this argument on the basis of emotion and mere superstitious belief; I placed it on the basis of reason, brought up the facts of science as put forward by modern criminologists and penologists, and I have challenged the Minister of Justice or anyone else to give us a single instance, a single proof in favour of the argument that capital punishment deters crime, but instead of argument we are given belief. No mere belief is sufficient. This is far too important a question for us to settle upon a mere single belief of any man, I do not care how sincerely he holds that belief. So I looked to the Minister of Justice in the hope that he would be able to convince me if I were wrong, because I want to change if I am wrong. I hoped that he would show me the errors in my reasoning if there were any but he did not do so. He said that he did not wish us to think that revenge was the basis; but revenge is the basis whether we think it is or not. There is the fact. Then he insists that capital punishment is a deterrent; but the amount of energy that a man puts into his fist when he insists that it is a deterrent, does not make it a deterrent. The sound of his voice does not make it a deterrent. Even an emphatic rap on the desk does not make it a deterrent. Only facts make a deterrent, and those facts have not been given to the House.

Even the hon. member for West Toronto (Mr. Hocken) follows the line of reasoning of the Minister of Justice, and he wishes us to accept his ipse dixit without any further argument. He is assured that capital punishment deters. That assurance is not enough.

I come to the leader of the opposition (Mr. Meighen). It was left for him to make the boldest attempt of all and he told us that if he had the slightest notion that we were in danger of losing the protection of the gallows, he would have come to this argument with more fire, with more enthusiasm and better —I do not know whether I should say, informed—at least with better arguments; but inasmuch as he felt that the gallows were perfectly safe and that this method of meting out punishment would last for a long time yet, he did not put forth his largest guns. Then he proceeded to examine the law, and he pointed out to us that the law was very narrow in its application to murder. I am not a lawyer, of course; but I should like to read to the House just how loose, or narrow rather, this application is. I am reading from sections 259 and 260 of the Criminal Code at page 77:

> Culpable homicide is murder,—
>
> (a) if the offender means to cause the death of the person killed;
>
> (b) if the offender means to cause to the person killed any bodily injury which is known to the offender to be likely to cause death, and is reckless whether death ensues or not;
>
> (c) if the offender means to cause death, or being so reckless as aforesaid, means to cause such bodily injury as aforesaid to one person, and by accident or mistake kills another person, though he does not mean to hurt the person killed;
>
> (d) if the offender, for any unlawful object, does an act which he knows or ought to have known to be likely to cause death, and thereby kills any person, though he may have desired that his object should be effected without hurting any one. 55-56 V., c. 29, s. 227.
>
> 260. In case of treason and the other offences against the King's authority and person mentioned in Part II, piracy and offences deemed to be piracy, escape or rescue from prison or lawful custody, resisting lawful apprehension, murder, rape, forcible abduction, robbery, burglary or arson, culpable homicide is also murder, whether the offender means or not, death to ensue, or knows or not that death is likely to ensue,—

It would appear therefore that there is nothing narrow about the application in so far as the criminal code is concerned. The leader of the opposition was rather careful to emphasize the cold-blooded murders. But had he known a little more about the subject he would have realized that the cold-blooded murder, although it is perhaps the more culpable in the eyes of the law, is really the less culpable from the scientific standpoint; for only a man who is lacking in some fundamental human trait could actually sit down and in cold blood calculate the means whereby to take the life of a fellow man. And that is one of the outstanding arguments in favour of the abolition of capital punishment. The man who is so lacking either in mentality or in morality as to figure a murder cold-blooded is the kind of man who should not be punished by the kind of death which he has visited upon some one else. He is the man that ought to be protected against himself while we protect society from him.

The leader of the opposition does not consider that there is much in my argument in regard to the causes of crime; he does not regard it as sufficient to say that crime is caused by hereditary influences aggravated by the influences of environment. But he accepts the hypothesis for the sake of argument. Well, he should have followed it to its logical conclusion. Had he done so he would have realized that there should be no place for punishment, on that assumption. And yet he speaks of punishment. But in this respect he misrepresented what I said. I said that there was no place for punishment, but I did not mean that there was no place for prisons. I rather insisted that our attitude with respect to the prisoner should not be influenced by any consideration of punishment; but that does not mean that the criminal should roam around the country committing crime. The member for Kindersley (Mr. Carmichael) was of the opinion that some prisons were quite attractive, so attractive indeed that he would almost like to go there himself. He rather indicated that they were better than home. Well, that is the sort of prison that I should like to see established. That however is not to be interpreted as a suggestion that we should put a premium upon crime. The fact is that we recognize the importance of treating criminals in the way we treat our insane and diseased people. Concluding his speech the right hon. gentleman emphasized the necessity of protecting society, failing to realize that capital punishment does not serve this end. Let me point out the difference between capital punishment and life imprisonment from the standpoint of the actual protection which is afforded human life. To-morrow morning some man commits a murder. Well now, the offence has been perpetrated, and whatever steps may be taken to protect society thereafter, society certainly had not been protected before. The leader of the opposition would put this man upon the gallows and let him hang on a rope; I on the other hand would put him in gaol or confine him in an insane asylum, according to the diagnosis of a competent person. I would not take his life. But in each case he would be prevented from killing any one else. My system would equally protect society, because my right hon. friend's method undoubtedly did not protect the life of the man that was killed. As an hon. gentleman observed, the man could not kill anybody else after he had been hanged, nor under my system would he be able to commit the crime again. So that there is no argument left my right hon. friend. The leader of the opposition made a pathetic appeal to sentiment. Let me assure him that there is something wrong with legislators who have to fall back upon the gallows as a protection to society, and I hope that he will discover where the weakness is.

[Mr. Irvine.]

The Prime Minister (Mr. Mackenzie King), accepting the arguments of the leader of the opposition, deplores the onerous task that devolves upon him under the present law; and on being asked to give a reason for the perpetuation of the thing that gives him such an unpleasant duty he replies that statistics can prove anything, and on this ground refuses to give any. Unfortunately there is a great deal of truth in that. But surely the Prime Minister would not like hon. members on this side of the House to test the merits of his budget by that principle. Figures can prove anything, certainly; and no doubt it can prove a surplus where a deficit actually exists. The Prime Minister, I say, would not like to have his budget analyzed in that fashion. We must stop somewhere with that kind of criticism, and while I know that figures may be misleading, at the same time the leader of the government might have favoured the House with one citation, let us twist it as we might, to prove our justification in maintaining capital punishment. I agree that his task is a difficult one under the present law. He tells us that he feels the solemnity of the matter; I hope we all feel it. But the Prime Minister might feel more solemn if next week he sanctioned the regular course of the law, and the execution thereby of an innocent man. In order to save him some of that awful anxiety and to free him from the solemn responsibility of that onerous duty I would urge him to vote for this measure and at least give it a trial. Let us try it for one year, and we can keep our eye on the hon. member for Battleford (Mr. McConica) for that length of time. Then, if we have not all killed one another in the interval, we might extend the period of trial to two years. That is the only way we can prove the efficacy of such a new law; and I have so much faith in humanity, and in Canadians particularly, that I do not believe that the number of murders would be increased in any degree whatever by the enactment of this bill.

The House divided on the motion (Mr. Irvine) which was negatived on the following division:

YEAS

Messrs.

Bancroft,	Euler,
Brown,	Forke,
Carroll,	Gardiner,
Crerar,	Garland (Bow River),
Elliott (Dundas),	Good,

Gould,
Hoey,
Humphrey,
Irvine,
Kellner,
Kennedy (Edmonton),
Knox,
Lewis,
Logan,
Macphail,
McMurray,
Shaw,
Speakman,
Spencer,
Steedsman,
Stewart (Humboldt),
Thurston,
Ward,
Woods.—29.

NAYS

Messrs.

Anderson,
Baldwin,
Binette,
Black (Halifax),
Black (Huron),
Bouchard,
Bourassa,
Bowen,
Caldwell,
Cardin,
Carruthers,
Chevrier,
Chisholm,
Copp,
d'Anjou,
Davies,
Déchêne,
Descoteaux,
Dickie,
Doucet,
Drummond,
Duff,
Elliott (Waterloo),
Findlay,
Fontaine,
Forrester,
Fortier,
Fournier,
Garland (Carleton),
Grimmer,
Halbert,
Hatfield,
Healy,
Hocken,
Hopkins,
Hunt,
Jelliff,
Johnston,
Jones,
Kelly,
Kennedy (Port Arthur & Kenora),
King (Huron),
King (Kootenay),
King, Mackenzie (York),
Kyte,
Lapierre,
Lapointe,
LeSueur,
Lovett,
Lovie,
MacKelvie,
Mackinnon,
MacLaren,
MacLean (Prince, P.E.I.),
McBride,
McConica,
McGiverin,
McKay,
McKillop,
McQuarrie,
Marcil (Bonaventure),
Meighen,
Mercier,
Michaud,
Millar,
Motherwell,
Munro,
Murdock,
Neill,
Parent,
Pelletier,
Power,
Pritchard,
Putnam,
Rankin,
Raymond,
Reed,
Robb,
Ross (Simcoe),
Sales,
Savard,
Senn,
Sexsmith,
Sheard,
Simpson,
Sinclair (Queens, P.E.I.),
Stansell,
Stevens,
Stewart (Argenteuil),
Stork,
Tolmie,
Warner.—92.

PAIRS

(The list of Pairs is furnished by the Chief Whips).

Messrs.

McMaster,
Milne,
Woodsworth,
Martell,
Bird,
Robinson,
Graham,
Morrison,
Evans.
Gordon,
Fansher,
Carmichael,
Harris,
Hodgins,
Brethen,
Ryckman,
Charters,
Manion.

Mr. GRAHAM: I was paired with the hon. member for East Toronto (Mr. Ryckman). Had I voted I would have voted for the motion.

Mr. MARTELL: I was paired with the hon. member for East York (Mr. Harris). Had I voted I would have voted for the motion.

Mr. MORRISON: I was paired with the hon. member for Peel (Mr. Charters). Had I voted I would have voted for the motion.

Mr. CARMICHAEL: I was paired with the hon. member for Centre Winnipeg (Mr. Woodsworth). Had I voted I would have voted against the motion.

Mr. EVANS: I was paired with the hon. member for Fort William and Rainy River (Mr. Manion). Had I voted it would have been for the bill.

Mr. McMASTER: I was paired with the hon. member for West Peterborough (Mr. Gordon). Had I voted I would have voted for the bill.

SELECT STANDING COMMITTEE

INDUSTRIAL AND INTERNATIONAL RELATIONS

Right Hon. W. L. MACKENZIE KING (Prime Minister): With the permission of the House I would move, seconded by Mr. Lapointe, that the name of Mr. Woodsworth be added to the select standing committee on Industrial and International Relations.

Mr. SPEAKER: By unanimous consent.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at twelve o'clock (midnight).

Monday, April 14, 1924

The House met at three o'clock.

YUKON QUARTZ MINING BILL

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

That the order of the House of the 24th March, referring Bill No. 6, respecting quartz mining in the Yukon Territory to the select standing committee on Mines and Minerals be discharged, and that the said bill be referred to the select standing committee on Mines, Forests and Waters.

Motion agreed to.

THE HOME BANK

Mr. R. H. HALBERT (North Ontario): I beg leave to present a petition signed by 571 residents of the towns of Cannington and

Sunderland and surrounding districts praying that the depositors in the Home Bank be indemnified.

Mr. L. W. HUMPHREY (West Kootenay): I beg leave to present a petition signed by 1,441 residents of the city of Fernie and district in British Columbia, praying that the depositors in the Home Bank be indemnified.

PRIVATE BILLS

FIRST READINGS

Bill No. 56 (from the Senate), for the relief of Theresa Agnes Sprague.—Mr. Kennedy (Glengarry).

Bill No. 57 (from the Senate), for the relief of Terry Andrea Maxwell Bruce.—Mr. Boys.

Bill No. 58, to incorporate the Confederation Canal and Power Company.

INDIAN RESERVE LANDS BILL

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 59, for the settlement of certain questions between the governments of Canada and Ontario respecting Indian reserve lands.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

CANADIAN NATIONAL RAILWAYS—FINANCIAL STATISTICS

Sir HENRY DRAYTON:

In the answer given on March 24th, 1924, to a question concerning the Canadian National Railways it is stated that "all revenues on inter-system company material which is used in operation is included as a part of operating expenses and to that extent cancels the revenue thereon shown in the revenue account."

1. What is the total amount of revenue so charged in the year 1923?

2. What amount of such materials to be used in operation as above indicated were shown in inventories at the close of the year 1923?

3. What rates are charged on coal for the system (a) on shipments from the Maritime provinces; (b) on coal received via Massena Springs, Cobourg and Black Rock (c) on coal from the Brule Mines, Alberta, and (d) how much coal do the inventories show as on hand, and the amount of freight thus charged against such coal, at the close of the year 1923?

Hon. Mr. GRAHAM:

1 and 2. Railway accounting methods do not provide for the taking out of such information concerning inter-company material, except at much cost of time and labour and the dislocation of the necessary railway business of serving the public.

3. (a) and (c) There were no charges at any time during the year on shipments of coal from the Maritime provinces, or from Brule Mines, Alberta.

(b) Subsequent to May 1 (date of consolidation) coal received for the system via Massena Springs, Cobourg and Black Rock was moved free; prior to that date, between January 1, 1923, and April 30, the following amount of revenue was accrued: via Massena Springs, $158,876.06; via Cobourg, $4,471.51; via Black Rock, $28,463.40.

(d) We have 3,646,711 net tons of coal on hand for the system at December 31, 1923. It is impossible to state the amount of freight, if any, included in this inventory at the close of the year.

THE HOME BANK

Sir HENRY DRAYTON:

1. In view of the fact that the liquidator's report shows that the Home Bank was never in receipt of income or profits on which taxes could be levied, has the government refunded to the liquidator such taxes paid by the Home Bank?

2. If not, what is the intention of the government in this respect?

Hon. Mr. ROBB: The answer to the first question is "no," and, to the second question, the answer is, "under consideration".

CANADIAN NATIONAL RAILWAYS—RADIO EQUIPMENT

Mr. CHARTERS:

1. What is the estimated cost of the installation of the radio equipment in the Canadian National Railways?

2. Who is the director of such service and what salary does he receive?

3. What is the estimated cost of the operation of radio on the Canadian National Railways during the current year?

Hon. Mr. GRAHAM:

1. To date management have spent on the installation of radio equipment approximately $26,000, of which sum approximately $18,000 covers the cost of erection of broadcasting station at Ottawa.

2. W. H. Swift, Jr. The management does not consider it desirable in the interest of the Canadian National Railways to publish salary.

3. The estimated cost of operation of the Radio department for the fiscal year ending March 31st, 1925, including salaries, travelling expenses, equipment, etc., is approximately $90,000.

TRAVELLING EXPENSES OF MINISTER OF LABOUR

Mr. ARTHURS:

What were the total travelling expenses of the Honourable Minister of Labour for fiscal years ending March 31st, 1920, 1921, 1922 and 1923?

Hon. Mr. MURDOCK: This question will be handled as a part of and answered by the answer to question No. 50.

GOVERNMENT SALE OF WASTE PAPER

Mr. PRITCHARD:

1. How many tons of waste paper have been sold by the government during the last fiscal year?
2. What is the total amount received for same?
3. What per cent of this amount was obtained from the Department of Agriculture?

Hon. Mr. COPP:

Department of Customs and Excise

1. The weight of paper sold is not available.
2. $497.36.
3. Does not refer to this department.

Post Office Department.

1. 350.
2. $4,199.65.
3. No information.

Department of Public Printing and Stationery

1. 722 tons, 1,509 lbs.
2. $26,558.30.
3. Waste paper accumulated in the government buildings in Ottawa is collected under contract made with the Department of Public Printing and Stationery but the amounts received from different buildings are not separately weighed, and it is therefore impossible to state the proportion obtained from the Department of Agriculture.

DISMISSAL OF JOSEPH L. GAUVIN

Hon. Mr. BAXTER:

1. When, why and on whose report was Jos. L. Gauvin dismissed from the position of collector of customs at Shippigan, New Brunswick?
2. Was Gauvin present during the whole or what part of the investigation, if any, was held?
3. How many witnesses testified, was there evidence, and if so, which was given on oath?
4. How many testified against Gauvin?

Hon. Mr. BUREAU:

1. Order in council was passed on January 16th, 1924 on the recommendation of the Minister of Customs and Excise, dispensing with the services of Jos. L. Gauvin for being under the influence of liquor while on duty.

2. Officer Gauvin was notified of the nature of the charge preferred against him and furnished his affidavit in connection therewith.

3. Six persons were interviewed regarding these charges and statutory declarations obtained from three.

4. Three persons.

ROYAL CANADIAN MOUNTED POLICE—APPOINTMENTS

Mr. WARD:

1. What is the total number of Royal Canadian Mounted Police on headquarters staff in Ottawa, and what is the total cost of maintaining this staff?
2. What number of permanent appointments have been made by the Civil Service Commission in the Royal Canadian Mounted Police department since January 1st, 1924, by reason of organization?
3. What number of recommendations for permanent appointments have been rejected since January 1st, 1924, in the same department?
4. What section of the Civil Service Act or Civil Service Commission regulation was considered in making appointments?
5. Are those whose permanent appointments were rejected not eligible under the same section of the act or Civil Service Commission regulation referred to?
6. What is the total number of civil servants attached to the headquarters staff of the Royal Canadian Mounted Police?

Hon. Mr. LAPOINTE:

1. Total number 71. Total cost of maintenance, including pay and allowances, quarters, light and heat, approximately $11,673.58 per month.
2. Nil.
3. Nil.
4. Answered by No. 2.
5. Answered by No. 3.
6. 36.

DANIEL J. ZINCK

Mr. HANSON:

1. What is the salary of Daniel J. Zinck, excise and customs officer at Lunenburg, Nova Scotia, and when was he appointed to said present position?
2. What is the nature of his duties?
3. Is the government aware that Mr. Zinck when appointed to this position was seventy years of age or over?
4. Were there any returned soldiers applicants for the position to which Mr. Zinck was appointed?
5. If so, why was preference not given to said returned soldiers?

Hon. Mr. BUREAU:

1 and 2. Employment as acting customs-excise enforcement officer, without salary, was authorized 19th June, 1922.

3. No information.
4. No.
5. Answered by No. 4.

RAILWAY RESTAURANT AT GRAND NARROWS

Hon. Mr. STEVENS:

1. Has the government purchased a building at Grand Narrows, Cape Breton, used as a railway restaurant?
2. If so, from whom was the building purchased and on what date?
3. Was the said building taken down in sections and moved to North Sydney and rebuilt as an express office?
4. If so, what was the total cost of said work and date of removal?
5. For what is the building now used, and what is the floor space, and on what property is it located?

Hon. Mr. GRAHAM:

1. Yes.

2. Purchased from J. C. McNeil on December 22nd, 1922.

3. Yes, a portion was used for extending the baggage room.

4. Work of extending baggage room was completed July 24th, 1923, at cost of $289.49.

5. Building which is now used for handling express has 590 square feet of floor space and is located on property of the Railways.

SILVER CURRENCY

Mr. SHAW:

1. What is the value of the silver currency coined by the Ottawa Mint during each of the years from 1914 to 1923, inclusive?

2. What is the total value of silver currency issued by the Finance department during each of said years?

Hon. Mr. ROBB:

1.	1914	$ 843,224 05
	1915	184,548 60
	1916	1,134,301 00
	1917	1,951,168 10
	1918	2,258,744 55
	1919	3,195,878 15
	1920	1,838,371 60
	1921	603,081 80
	1922	Nil
	1923	Nil
2.	1914	734,002 00
	1915	206,000 00
	1916	1,302,000 00
	1917	1,862,200 00
	1918	2,402,000 00
	1919	3,276,044 00
	1920	1,338,000 00
	1921	128,000 00
	1922	24,000 00
	1923	28,000 00

CANADIAN PACIFIC RAILWAY TELEGRAPH LINES

Mr. MacLAREN:

What amount does the Canadian Pacific Railway Company pay the Canadian National Railway Company for the privilege of running its telegraph lines over the Canadian National Railways right of way?

Hon. Mr. GRAHAM: There is no general arrangement with the Canadian Pacific Railway to run its telegraph lines over the Canadian National Railways right of way, but certain special arrangements have been made, as follows:

Between Levis and the inter-provincial boundary via Riviere du Loup the Canadian Pacific Railway have one wire on the poles of the Great North Western Telegraph Company. For this privilege they pay an annual rental of $732.

Between Hope and Lytton, B.C., the Canadian Pacific Railway has the use of poles for one wire, for which they pay a rental of $340 per annum.

There are several crossings or similar privileges, for which the Canadian Pacific Railway pays nominal rentals, but there are no other occupancies on right of way to any extent other than those two named above for which they pay.

CANADIAN CONFECTIONERY AND BAKERY SALES TAX

Mr. WARD:

1. Did certain bakery firms in the city of Toronto refuse to pay the sales tax on confectionery and bakery products during the year 1923?

2. If so, what action has the government taken to collect such taxes?

Hon. Mr. BUREAU:

1. Yes.

2. Legal action was taken against the firm of Versailles Sweets, Toronto, as a test case. The department was successful in this action but appeal was made to the Supreme Court of Ontario. The department was successful in this court also, but appeal was again made, and it is expected the case will be tried before the Supreme Court of Canada in May next.

OVERAGES IN LAKES TERMINAL ELEVATOR

Mr. EVANS:

1. What has been the disposition of the overages in the terminal elevator at the head of the lakes, and elsewhere, as adjusted with the government, over the period of years, since this arrangement has been in effect?

2. What has been the amount of such overages?

3. How much accrued to the government of such overages?

4. What was the amount retained between terminal companies?

5. What was the value of such overages to the government, as adjusted?

Hon. Mr. LOW:

1. In accordance with the provisions of subsection 7 of section 95 of the Canada Grain Act, as amended at the second session of parliament in 1919, the Board of Grain Commissioners determines from its official weigh-up and records the surplus of grain in all public terminal elevators and authorizes terminal elevator companies having a surplus to issue warehouse receipts for such overage after taking into account the amount, if any, to be delivered to the government as provided by section 95 of the act. The board requests the terminal elevator companies having a surplus to deliver to the board either warehouse receipts for that portion of their surplus over one-quarter of one per cent, or a cheque based on the market price for the value of same.

2. The total overages in public elevators from 1920 to 1923, inclusive, amounts to 95,943,345 pounds of all grains.

3. Covering the same period the government is entitled to receive under the above section of the act 22,914,154 pounds of all grains.

4. The amount retained by the terminal elevator companies for the same period was 73,029,191 pounds.

5. The value of such overages due to the government for the period 1920 to 1923, inclusive, amounts to $477,152.03.

GRAIN WEIGHING

Mr. COOTE:

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

Hon. Mr. LOW: Year ending Aug. 31, 1921—Receipts, $1,011,678.84; expenditures, $742,314.98. Year ending Aug. 31, 1922—Receipts, $1,263,253.47; expenditures, $847,-186.90. Year ending Aug. 31, 1923—Receipts, $1,433,984.32; expenditures, $972,631.16.

SOLDIER SETTLEMENT BOARD

Mr. KELLNER:

1. Did the Soldier Settlement Board have any of its officers or employees visit any foreign country or countries in the interest of the board?
2. If so, what were their names?
3. What country or countries have they visited?
4. What was the purpose of such visit or visits?
5. What was accomplished by such visit or visits?
6. What was the total cost of such trips?

Hon. Mr. ROBB:

1. No.
2. 2, 3, 4, 5, and 6—Answered by No. 1.

INVERNESS RAILWAY AND COAL COMPANY

Mr. HOCKEN:

1. Has the Inverness Railway and Coal Company's line in Cape Breton been taken over for operation by the Canadian National Railways, and if so, on what date and what official is in charge of the operation?
2. If not, are any negotiations going on in reference to the line being taken over for operation by the Canadian National Railways?

Hon. Mr. GRAHAM:

1. Yes—April 1st, 1924.
General Manager—Moncton, N.B.
2. Answered by No. 1.

OTTAWA RIVER WATER-POWERS AT CARILLON

Mr. BINETTE*

1. Does the government intend to help in the development of the Ottawa river water-powers, at Carillon?
2. Have reports been submitted to the government, either by private persons or companies, and have said reports been taken under consideration?
3. What assistance will the government give to further said project?

Hon. Mr. GRAHAM: In reply to question No. 41, the government has not been asked to help in the development of the Ottawa river water-powers at Carillon. As I explained the other day, many years ago a lease was given to a company to develop water-power at Carillon. In 1921 that lease was renewed, or rather a new lease was given with very much enlarged powers. At the present time there is before the Department of Railways and Canals an application by a company for a still greater enlargement of the powers given under that lease in 1921, and that is now being considered.

COST OF PARLIAMENT BUILDINGS

Mr. BENOIT:

1. What has been the cost, to date, of the parliament buildings?
2. What is the name of the contractor?
3. What percentage is he paid for his work?
4. What amount has he been paid, to date, for work accomplished?
5. What is the name of architect who drew the plans for the parliament buildings?
6. What percentage and what amount, to date, has said architect drawn for his work?
7. What is the name of the assistant architect?
8. What percentage and what amount has said assistant architect drawn, up to date, for his work?
9. Has the architect who drew the plans for the parliament buildings, received, over and above his commission, from the government, other amounts as reimbursements for travelling expenses, either for himself or his assistants, also for telegrams, messenger service, etc.?
10. If so, under what agreement with the government and under what budget items have these amounts been paid to him?

Hon. Mr. KING (Kootenay):

1. $11,273,785.39.

2. P. Lyall & Sons Construction Co., Ltd.

3. Eight per cent commission on value of work to $4,000,000; 7 per cent above that amount.

4. $646,331.46.

5. Mr. John A. Pearson, Toronto, Ont.

6. Four and five-eighths per cent on ordinary work with an additional commission of 2⅞ per cent for work of special nature. Total to date, $412,344.92.

7. Associate architect, Mr. J. O. Marchand, Montreal, Que.

8. Seven-eighths of 1 per cent. Total to date, $71,990.69.

9 and 10. Yes; $3,170.14, covering two visits to the United States to investigate electric heating and modern methods of lighting; in Canada for inspection and delivery of special furniture; and a visit to Europe authorized by the Joint committee. Payments were made from appropriation for Ottawa parliament building.

CANADIAN NATIONAL RAILWAYS—PARRY SOUND

Mr. ARTHURS:

1. Is Parry Sound on the main line of Canadian National Railways, Winnipeg to Toronto?
2. What are the grades on the Canadian National Railways north and south from Parry Sound and near that point?
3. Is it necessary to use additional power to aid trains over such grades?
4. Have proposals been made to reduce or overcome such grades? If so, when?
5. Have surveys been made or plans prepared to overcome or reduce such grades?
6. If so, why has the necessary work not been proceeded with?

Hon. Mr. GRAHAM: I suppose my hon. friend would be able to give an answer to No. 1 himself and try to find out the rest.

Mr. SPEAKER: Stands.

POSTMASTER St. GEDEON, QUE.

Mr. DOUCET:

1. Was the postmaster at St. Gedeon, Chicoutimi county, dismissed?
2. If so, for what reason?
3. Was an investigation held in connection with this employee, and by whom?
4. On what date was this investigation made, and on what date was the report remitted to the minister?
5. To whom was the post office assigned, on whose recommendation was action taken, and in whose house was the office placed?
6. Did the Civil Service Commission by published notice call for applications for this post office?
7. If so, how many applications were received, and who was their selection?
8. Has the new postmaster been nominated? If not, why?
9. Is the government aware that what has passed at St. Gedeon since the 15th November, in connection with the post office, is a disgrace without precedent?

Hon. Mr. COPP:

1. Yes.
2. On account of active political partisanship.
3. Yes. By Oscar Drouin, barrister, Quebec.
4. Investigation held 14th November, 1922. Report to Postmaster General dated 8th August, 1923.
5. Etienne Coulombe was placed in charge as acting postmaster on the recommendation of Dr. E. Savard, M.P., pending a permanent appointment by the Civil Service Commission. Department informed recently that post office was placed in residence of Mr. Louis Parent.
6. Yes.
7. Seven. Miss Blanche Laberge selected by commission.
8. Yes.
9. No information.

DEPARTMENT OF IMMIGRATION

Mr. LAVIGUEUR:

1. Does the Department of Immigration intend to transfer to Quebec, this year, the staff of St. John, New Brunswick, or employ persons of the city of Quebec or district?
2. Will the said department insist that the whole of their immigration staff, at Quebec, speak French fluently?

Hon. Mr. ROBB: My recollection is that this question was answered last week.

ST. GREGOIRE WHARF

Mr. LAVIGUEUR:

1. In what year was the wharf which serves as a retaining-wall to part of the village of St. Gregoire, Montmorency, constructed?
2. What was the initial cost of its construction?
3. What are the amounts which were voted for the upkeep and repairs of above wharf, and in what year were said amounts voted?

Hon. Mr. KING (Kootenay):

1 and 2. The wharf at St. Gregoire, Montmorency, built in 1912 at a cost of $4,998.37, does not serve as a retaining wall. The construction of the retaining wall was commenced in 1904-05 and continued to 1913-14 at an expenditure as follows:

1904-05	$6,508 82
1905-06	7,158 00
1906-07	3,270 89
1912-13	5,115 69
1913-14	1,799 07
	$23,852 47

3. $3,800 in fiscal year 1915-16.

MR. J. H. R. BYRNES

Mr. LAVIGUEUR:

1. Has the Minister of Immigration already received a request for an inquiry regarding certain charges made against J. H. R. Byrnes who had the contract for the immigration canteen and restaurant, at the port of Quebec, for the years 1922, 1923?
2. If so, does the minister intend to allow said inquiry as requested, in order to permit Mr. Byrnes to refute the accusations, and, if so, when will this inquiry take place, and who will have charge of same?

Hon. Mr. ROBB:

1. Verbal representations have been made that Mr. Byrnes would welcome a full inquiry into the administration of immigration canteen and restaurant.
2. The Department of Immigration have decided to abandon for this season the contract system. The work will be done under the supervision of an officer of the department, which makes such an inquiry unnecessary.

CANADIAN NATIONAL RAILWAYS—EARNINGS

Mr. RYCKMAN:

1. What were the gross earnings and working expenses on (a) Atlantic division of the Canadian National Railways; (b) on the Central division; (c) on the Western division for the year 1923?
2. What are the figures for 1924?

Hon. Mr. GRAHAM:

1. The information called for by these questions was brought down on Thursday, April 10, and is to be found in Hansard of that date, pages 1207 and 1210.

2. Not yet available.

BANK NOTE CIRCULATION

Mr. COOTE:

1. What was the total amount of Canadian bank notes in circulation on January 31, 1924?

2. What was the total amount held in the bank note redemption fund on the above date?

Hon. Mr. ROBB:

1. $156,865,776.

2. $6,119,119.

JUDGES, SALARIES AND PENSIONS

Mr. LEADER:

1. What was the total number of judges employed in the courts of Canada in the year 1919?

2. What was the aggregate amount of annual salaries paid for the year 1919?

3. What is the total number of judges employed at the present time?

4. What is the aggregate amount of the annual salaries at present payable?

5. What was the total amount of travelling expenses incurred by judges during the last fiscal year?

6. What is the number of judges retired on pensions now living?

7. What is the amount of pensions paid annually to retired judges?

Hon. Mr. LAPOINTE:

1. 280.

2. $1,452,554.57.

3. 277.

4. $1,982,400.00.

5. $134,623.47.

6. 38.

7. $179,166.63.

MONTREAL POST OFFICE

Mr. CHAPLIN:

1. How many permanent employees, other than carriers, were employed in the post offices in the city of Montreal during the fiscal year ending March 31, 1923?

2. What was the amount of income derived from these post offices for the above period?

3. How many pieces of mail matter were handled during the above period?

4. What were the total salaries paid in the above-named offices for the period named?

Hon. Mr. STEWART:

1. 811.

2. $3,680,396.67.

3. No record.

4. $1,230,247.84 (excluding salaries of carriers).

QUEBEC POST OFFICE

Mr. CHAPLIN:

1. How many permanent employees, other than carriers, were employed in the post office in the city of Quebec, during the fiscal year ending March 31, 1923?

2. What was the amount of income derived from these post offices for the above period?

3. How many pieces of mail matter were handled during the above period?

4. What were the total salaries paid in the above-named offices for the period named?

Hon. Mr. STEWART:

1. 171.

2. $523,025.91.

3. No record.

4. $225,230.09 (excluding salaries of carriers).

HAMILTON POST OFFICE

Mr. CHAPLIN:

1. How many permanent employees, other than carriers, were employed in the post offices in the city of Hamilton during the fiscal year ending March 31, 1923?

2. What was the amount of income derived from these post offices for the above period?

3. How many pieces of mail matter were handled during the above period?

4. What were the total salaries paid in the above-named offices for the period named?

Hon. Mr. STEWART:

1. 112.

2. $588,297.10.

3. No record.

4. $159,579.40 (excluding salaries of carriers).

TORONTO POST OFFICE

Mr. CHAPLIN:

1. How many permanent employees, other than carriers, were employed in the post offices in the city of Toronto, during the fiscal year ending March 31, 1923?

2. What was the amount of income derived from these post offices for the above period?

3. How many pieces of mail matter were handled during the above period?

4. What were the total salaries paid in the above-named offices for the period named?

Hon. Mr. STEWART:

1. 950.

2. $5,798,015.40.

3. No record.

4. $1,189,917.25 (excluding salaries of carriers).

GERMAN IMMIGRATION

Mr. HARRIS:

1. How many Germans arrived in Canada during 1923?

2. What number of these were artisans and what number were agriculturists?

3. How many Germans arrived in the months of January, February and March, 1924?

4. How many of those in question (3) were artisans and how many agriculturists?

Hon. Mr. ROBB:

1. 1,258.

2. Artisans, 32. Agriculturists, 794.

3. 524.

4. Artisans, 8. Agriculturists, 249.

Note: Figures for March, 1924, are incomplete.

COMPLETION OF QUEBEC BRIDGE

Mr. ROBERGE:*

1. Does the government propose to complete the Quebec bridge, especially the central space reserved to vehicles?

2. If so, when?

Hon. Mr. GRAHAM: The matter is under consideration.

STEEL IMPORTS FROM GREAT BRITAIN

Mr. SIMPSON:

1. Are the articles which were quoted in a recent issue of the Glasgow (Scotland) Herald, as follows,—

	Home Consumption	Export
Steel angles and sections.. ..	£10	£8/10 to £9
Steel joists..	£10	£8/10 to £9
Steel beams..	£11/10	£9/12
Steel channels..	£10/5	£8/15 to £9

Subject on importation to a customs valuation at the export price, or the price for the home market?

2. Have the customs authorities applied the provisions of the dumping sections to importations of the above?

Hon. Mr. BUREAU:

1. Subject on importation to customs valuation at fair market value when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of exportation to Canada.

2. No information that such goods have been sold to purchasers in Canada under conditions stated.

IMPORTS FROM THE UNITED STATES

Mr. TOBIN:

1. What was the amount of the total imports to Canada from the United States during 1914-15, 1915-16, 1916-17, 1917-18, 1918-19, 1919-20, 1921-22, 1922-23 and 1923-24?

2. What was the amount of duty collected on boots and shoes coming in from the United States during the same years?

3. What is the tariff on boots and shoes entering the United States from Canada?

Hon. Mr. BUREAU:

1 and 2. Statement of imports of boots and shoes from the United States entered for consumption in Canada and Customs duty collected:

[Mr. Harris.]

Item	Fiscal Year	Value	Customs Duty
Boots and shoes, rubber	1915	$100,352	$25,088
	1916	94,162	23,541
	1917	186,862	46,716
	1918	264,954	66,239
	1919	175,327	43,832
	1920	270,350	67,588
	1921	239,688	59,922
	1922	96,640	24,160
	1923	90,067	22,517
11 months ended Feb.	1924	142,331	33,583
Boots and shoes, leather, pegged or wire fastened with unstitched soles, close edged	1915	18,560	4,640
	1916	11,566	2,892
	1917	19,152	4,788
	1918	12,827	3,207
	1919	14,972	3,743
	1920	15,758	3,940
	1921	22,779	5,695
	1922	7,987	1,997
	1923	11,532	2,883
11 months ended Feb.	1924	10,044	2,511
Boots and shoes, leather, n.o.p.	1915	2,900,134	870,040
	1916	1,902,796	570,839
	1917	3,271,170	981,351
	1918	2,999,848	899,954
	1919	2,609,321	782,796
	1920	2,611,964	783,589
	1921	1,803,442	541,033
	1922	977,788	293,336
	1923	785,912	235,773
11 months ended Feb.	1924	690,674	207.193
Boots and shoes, all kinds, except rubber and leather	1915	61,612	18,484
	1916	32,069	9,621
	1917	148,816	44,645
	1918	282,024	84,607
	1919	215,428	64,628
	1920	328,941	98,682
	1921	285,877	85,763
	1922	171,632	51,490
	1923	322,927	96,878
11 months ended Feb.	1924	231,297	69,389

3. This question is being answered by the Department of Trade and Commerce.

IMPORTS FROM GREAT BRITAIN

Mr. TOBIN:

1. What was the amount of the total imports to Canada of boots and shoes from Great Britain during 1914-15, 1915-16, 1916-1917, 1917-18, 1918-19, 1919-20, 1920-21, 1921-22, 1922-23 and 1923-24?

2. What was the amount of duty collected on boots and shoes coming in from Great Britain during the same years?

3. What is the duty on boots and shoes exported to Great Britain from Canada?

Hon. Mr. BUREAU:

1 and 2. Statement of imports of boots and shoes from the United Kingdom entered for consumption in Canada and customs duty collected:

Item	Fiscal Year	Value	Customs Duty
Boots and shoes, rubbers..	1915	$ 26,044	$ 3,942
	1916	11,558	1,734
	1917	10,579	1,587
	1918	41,134	6,170
	1919	19,046	2,857
	1920	17,251	2,588
	1921	29,356	4,408
	1922	1,442	221
	1923	1,295	194
11 months ended Feb.	1924	42,928	6,440
Boots and shoes, leather pegged or wire fastened, with unstitched soles, close edged..	1915	59,692	10,568
	1916	23,932	4,208
	1917	5,359	991
	1918	1,603	281
	1919	455	78
	1920	4,211	737
	1921	2,133	395
	1922	2,867	502
	1923	4,291	670
11 months ended Feb.	1924	3,982	632
Boots and shoes, leather, n.o.p.. ..	1915	491,523	98,967
	1916	215,538	43,654
	1917	173,871	34,966
	1918	146,784	29,445
	1919	78,994	16,209
	1920	94,009	18,959
	1921	358,451	73,611
	1922	335,761	68,586
	1923	410,273	73,852
11 months ended Feb.	1924	588,041	95,009
Boots and shoes, all kinds, except rubber and leather..	1915	169,231	34,295
	1916	72,723	14,551
	1917	92,692	18,564
	1918	102,972	20,605
	1919	50,681	10,149
	1920	71,470	14,311
	1921	206,406	41,509
	1922	46,035	9,332
	1923	69,287	12,337
11 months ended Feb.	1924	134,366	21,428

3. This question is being answered by the Department of Trade and Commerce.

SOLDIER SETTLEMENT BOARD—FIRE INSURANCE

Mr. JACOBS:

1. What amount of fire and other insurance is carried to cover property handled by the Soldier Settlement Board?

2. What is the sum paid out annually for premiums for the carrying of such insurance?

3. Did the firm of Lougheed and Taylor of Calgary act in placing of the above insurance?

4. Is the said firm still acting for the government as brokers in the above business?

Hon. Mr. ROBB:

1. As at February 29, 1924—In tariff companies, 23,949,844.25; in mutual companies, $4,804,638.73.

2. On tariff insurance, $148,380.87; on mutual insurance, $36,864.08. These amounts include those premiums paid by settlers themselves as well as those paid by the board as advances to settlers.

3. Prior to September, 1922, this firm was on the list of agents for the Calgary district and wrote a portion of the business in that district.

4. No.

NATIONAL DEBT

Mr. RINFRET:

1. Has the government any knowledge of a circular which has been wide spread by the Board of Trade of Montreal, placing at $3,513,000,000 the public debt of Canada?

2. Are those figures exact?

3. If not, what are the exact figures of the public debt of Canada?

Hon. Mr. ROBB:

1. Reference to this leaflet has been seen in the press. The figure of $3,513,000,000 apparently purports to include with the direct obligations of the Dominion, contingent liabilities in connection with the Canadian National Railway system.

2 and 3. The net debt of Canada at March 31st, 1924, as estimated for the budget speech, was $2,423,367,759.37.

DRY DOCK SUBSIDIES

Mr. WOODSWORTH:

1. How many dry docks are receiving subsidies from the government?

2. What are the names and locations of same?

3. What are the respective subsidies paid?

4. Under what conditions are they paid?

Hon. Mr. KING (Kootenay):

1. Six.

2 and 3—

Docks Completed and In Operation:—

	Annual subsidy
Duke of Connaught floating dock at Montreal, Que.	$105,000.00
Collingwood dry dock No. 2 at Collingwood, Ont.	9,208.96
Port Arthur dry dock at Port Arthur, Ont.	37,741.50
Prince Rupert dry dock at Prince Rupert, B.C.	76,970.88
Docks Under Construction:—	
St. John dry dock at Courtenay bay, St. John, N.B.	198,459.46
Burrard dry dock at North Vancouver, B.C.	19,981.96

4. Under conditions specified in Dry Docks Subsidies Act and respective agreement for each dock. These conditions are: (a) Dry dock to be kept in a constant state of efficiency. (b) No discrimination to be used against any vessel wishing to use the dock. (c) Rates charged for docking not to exceed rates agreed upon between the department and the company.

QUEBEC HARBOUR

Mr. LAVIGUEUR:

1. Does the government intend to take advantage of the extensive properties acquired along the St. Lawrence river, from Sillery to Champlain market, by the old Transcontinental Commission in order to build railway lines and deep water wharves, also to complete the Quebec harbour?

2. Has the government brought to the attention of the new board of directors of the National Railways the rights held and contracts made between the city of Quebec and the Transcontinental Commission in May, 1910, for the development and improvement of the Quebec harbour?

Hon. Mr. GRAHAM:

1. As warranted, property will be utilized for development purposes.

2. Management of Canadian National Railways are seized of all the information in connection with situation at Quebec.

POST OFFICE REVENUE AND EXPENDITURE

Mr. CARMICHAEL:

1. What was the net revenue of the Post Office Department for the fiscal year ending March 31, 1915?

2. What has been the net revenue for each of the fiscal years since above date at the three cent postage rate but exclusive of war tax stamps for cheques, etc.?

3. What was the total expenditure of the Post Office Department for the fiscal year ending March 31, 1915?

4. What has been the total expenditure for each of the fiscal years since?

Hon. Mr. STEWART:

1. $13,046,649.57.

[Mr. J. H. King.]

2. 1916, $18,858,409.93; 1917, $20,902,384.46; 1918, $21,345,394.48; 1919, $21,602,712.65; 1920, $24,449,916.97; 1921, $26,331,118.97; 1922, $26,-554,538.24; 1923, $29,262,232.78. No figures available as to amount used on cheques.

3. 1915, $15,961,191.47.

4. 1916, $16,090,138.77; 1917, $16,300,578.65; 1918, $18,046,557.90; 1919, $19,273,583.94; 1920, $20,774,385.20; 1921, $24,661,262.26; 1922, $28,-121,533.95; 1923, $27,794,501.89.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MILITARY CLOTHING

Mr. THURSTON:

1. At whose request was the Order in Council No. P.C. 2263, published in The Canada Gazette of January 12, page 2348, passed?

2. What quantities of military clothing have been sold by the government during the years 1917 to 1923, inclusive?

3. To whom was this material sold?

Hon. Mr. MACDONALD: I have conferred with the hon. member who placed this question on the order paper, and find that the information he asked for refers not to military clothing, but to military uniforms. In that case the question stands as an order for return.

IMMIGRATION STAFFS

Mr. GARLAND (Carleton):

1. What are the names of the officials and other employees of the immigration staffs in (a) Great Britain; (b) Europe; (c) United States?

2. What did it cost to carry on this service during the fiscal year 1923 in the countries mentioned?

3. What countries, if any, in Europe, have been added to the preferred zone of immigration during the past year?

Hon. Mr. ROBB: Mr. Speaker, I ask that this stand as an order for return, and I now file the return.

VANCOUVER, TORONTO, MONTREAL AND QUEBEC PORTS

Mr. LAVIGUEUR:

What amount has been voted to develop each of the following ports—Vancouver, Toronto, Montreal and Quebec, and what amount has been spent up to date in connection with each of these ports?

APPOINTMENT OF RETURNED SOLDIERS

Mr. CLARK:

1. How many returned soldiers have been employed through appointment by the Civil Service Commission (a) since January 1, 1922; and (b) prior to January 1, 1922?

2. What proportion of appointments made by the Civil Service Commission between January 1, 1919, and January 1, 1922, were awarded to returned soldiers?

3. What proportion of appointments made by the Civil Service Commission since January 1, 1922, were awarded to returned soldiers?

Mr. CLARK:

1. How many appointments in the civil service have been exempted from the power of appointment by the Civil Service Commission since January 1, 1922?
2. How many of the appointments referred to in paragraph 1 are under the jurisdiction of the Department of Soldiers' Civil Re-establishment?
3. What proportion of the appointments made by departments other than Soldiers' Civil Re-establishment have been awarded to returned soldiers?
4. What proportion of the appointments made by the Department of Soldiers' Civil Re-establishment have been awarded to returned soldiers?

TRAVELLING EXPENSES OF MINISTERS

Mr. McBRIDE:

What were the total travelling expenses of each minister of the government for the fiscal years ending March 31, 1920, 1921, 1922 and 1923, or any portion of such fiscal years that each or any such ministers held office?

PULPWOOD COMMISSION

Mr. SHEARD (for Hon. Mr. STEVENS) moved:

For a copy of all evidence or statements made before the Royal Pulpwood Commission by Mr. Piche and other witnesses, members or officers of the government of Quebec.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, with reference to this motion, the Royal Commission on Pulpwood submit the following:

The commission desired to have a full discussion with the Quebec forestry officials which, among other things, involved matters concerning the internal policy of the Forest Service. In order to permit of frank discussion of such matters, a private hearing was requested by the forestry officials, which request was granted.

Under these circumstances the commission does not consider that it would be justified in disclosing the evidence presented by the Quebec forestry officials without the consent of that department of the Quebec government service.

I would therefore ask that my hon. friend withdraw the motion.

Right Hon. ARTHUR MEIGHEN: My hon. friend who made the motion is not here. I would suggest that it be allowed to stand in the meantime. I do not yet appreciate the reason for not disclosing the evidence.

Motion stands.

CANADIAN NATIONAL RAILWAYS—PURCHASE OF TIES

Mr. CHAPLIN moved:

For a copy of all letters, papers, reports and other documents relating to the purchase of railway ties by the Canadian National Railways or any of its officials, including correspondence with the firm or firms from which the said ties were purchased, reports on the price or prices of same, and also returns and vouchers showing the cost of all creosoting plants either under construction or completed by the Canadian National Railways, during the year 1923.

Hon. GEORGE P. GRAHAM (Minister of Railways): Mr. Speaker, the hon. gentleman (Mr. Chaplin) and myself promised the House that we would talk this over, but I regret to say that we have not done so yet. If you will bear with us a little while longer we will work it out.

Motion stands.

MOSER'S RIVER WHARF

Mr. BLACK (Halifax) moved:

For a copy of all correspondence exchanged between any member or members of the government, members of parliament, engineers, or representatives of government, or other party or parties during the years 1921, 1922 and 1923, in relation to the wharf, piers and warehouse at Moser's River, Halifax county, Nova Scotia (Necum Teuch).

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am not at all sure that it is possible for the government to comply with this motion. The hon. member asks, "For a copy of all correspondence exchanged between any member or members of the government, members of parliament, engineers, or representatives of government," and so on. Of course, a return may be brought down of any correspondence between the government and the other persons mentioned, but the government has not any knowledge of correspondence with members of parliament.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The motion must be intended to have that meaning. The word "and" should be inserted before "members of parliament."

Mr. MACKENZIE KING: Yes.

Mr. SPEAKER: Motion as amended agreed to.

DEPARTMENT OF JUSTICE—LEGAL OPINIONS RE SALES TAX

Mr. CHAPLIN moved:

For a copy of all legal opinions given by the Department of Justice with respect to interpretation or effect of the present sales tax—Special War Revenue Act as re-enacted and amended by chapter 70 of the Statutes 1923.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I am sorry that I must object to the adoption of this motion. Such legal opinions are given by the Department of Justice in cases which are now pending before the courts, and to bring them down would, in my opinion, prejudice the Crown. It has never been the practice to produce these opinions.

Mr. SPEAKER: Is it the pleasure of the House that the hon. member shall have leave to withdraw his motion? Carried.

Motion withdrawn.

ST. FRANCOIS, ILE D'ORLEANS LIGHT-HOUSE KEEPER

Mr. DOUCET moved:

For a copy of all correspondence exchanged between the Minister of Marine and Fisheries, the government of Canada, the Civil Service Commission or its employees, and all other persons since the first day of January, 1923, on the subject of the dismissal of Mr. Lemelin, lighthouse-keeper at St. François, Ile d'Orleans, and the nomination of a new light-house-keeper.

Mr. MACKENZIE KING: This is another order that is badly worded. It says:

For a copy of all correspondence exchanged between the Minister of Marine and Fisheries, the government of Canada, the Civil Service Commission or its employees, and all other persons.

If what is sought is any correspondence the government or any member of the government has had with any of these parties, well and good, but as it is phrased it would seem to include any correspondence that employees or civil servants have had with any person. Of course, that could not possibly be brought down.

Mr. MEIGHEN: I would say there is no need of the words "or its employees."

Mr. SPEAKER: Motion as amended agreed to.

EXPORT LIQUOR LICENSES—SASKATCHEWAN

Mr. MORRISON moved:

For a copy of all letters, telegrams, correspondence and other documents in the possession of the government or any department of the government between the government and the government of Saskatchewan on the question of licenses for export liquor houses.

Mr. BUREAU: I would ask the hon. member to let this motion stand, as there are some suggestions to be made as to its wording.

Motion stands.

ST. GEDEON POSTMASTERSHIP

Mr. DOUCET moved:

For a copy of all correspondence exchanged between the Postmaster General or the government of Canada, the Civil Service Commission or its employees, and all other persons since the 1st January, 1922, to date, on the subject of the dismissal of Thomas Lavoie, postmaster at St. Gedeon, Chicoutimi county, and the nomination of a new postmaster at St. Gedeon. Also copies of the investigation that was held on the said Thomas Lavoie, and of the report of the investigators, as well as copies of applications made to the Civil Service Commission for the position of postmaster at St. Gedeon, and all petitions and certificates given in favour of or against, any of the applicants.

Mr. MACKENZIE KING: This order also is badly phrased. If the words "or its employees" were struck out and the word "other" before "persons," I think the order could pass in that form.

Mr. SPEAKER: Motion as amended agreed to.

HUDSON BAY RAILWAY

Hon. Mr. STEVENS moved:

For a copy of all reports, letters, telegrams and other documents, during the year 1917, from the resident engineer or any of his staff located at Port Nelson to the chief engineer of the Department of Railways and Canals, or the deputy minister or the minister or any official of the said department, having reference to the Hudson Bay Railway route and grain or other harbour facilities.

Mr. MACKENZIE KING: If this order passes it must be with the understanding that what is unreasonable in it will not be brought down. It might be interpreted as meaning that any communication from any member of the staff of the resident engineer to any clerk in the department would have to be brought down. I do not think the mover intended the motion to have that construction.

Motion agreed to.

UNOPPOSED MOTIONS FOR PAPERS

PORT JOLI-SABLE ISLAND ROAD

Mr. BLACK (Halifax):

For a copy of all correspondence and other documents between the Dominion government and the government of Nova Scotia in respect to construction of the Port Joli-Sable Island road, Nova Scotia, and federal aid thereto; also copies of estimates, engineers' reports, applications for federal aid, vouchers and other documents relating to said matters.

ST. MARGARET'S BAY ROAD

Mr. BLACK (Halifax):

For a copy of all correspondence between the Dominion government and the government of Nova Scotia in respect to construction of the St. Margaret's Bay road, Nova Scotia, and federal aid thereto; also copies of estimates, engineers' reports, applications for federal aid, vouchers and other documents relating to said matters.

MR. PETER HICKEY

Mr. HANSON:

For a copy of all correspondence, letters, telegrams and other documents, with regard to the dismissal of Mr. Peter Hickey as lighthouse-keeper at Fish island light, Prince county, Prince Edward Island, and if an investigation was held, a copy of the evidence and the investigator's report.

DISMISSAL OF C. A. COX

Hon. Mr. STEVENS:

For a copy of all correspondence, since January, 1922, between the Department of Indian Affairs and Mr. Ditchburn, representative of the department in British Columbia, and members of parliament, or others, in connection with the dismissal of C. A. Cox.

GLOUCESTER LOBSTER FISHING SEASON

Mr. ROBICHAUD:

For a copy of all correspondence, petitions, telegrams and other documents relating to certain representations made to the Department of Marine and Fisheries for the granting of a fall season to the lobster fishermen in the county of Gloucester, during the fishing season of 1923.

TORONTO VIADUCT

Mr. CHURCH:

For a copy of all reports, recommendations, papers, contracts, letters, telegrams and other documents from Sir Henry Thornton, president of the National Railways, relating to the carrying out of the viaduct agreement at Toronto, and all replies of the government thereto; also copy of all correspondence with the Canadian Pacific Railway, if any, or from the city of Toronto or the Harbour Commission of Toronto on this question.

IMPORTATION OF ELECTRIC LAMPS FROM HOLLAND

Mr. COOTE:

For a copy of all papers and documents, including appraiser's reports, relating to the importation of electric lamps from Holland since the 1st of January, 1923.

CUSTOMS REGULATIONS

Mr. COOTE:

For a copy of all regulations made by the Minister of Customs under S.S.5, sec. 6, chapter 11, Statutes of Canada 1907, an Act to amend the Customs Act.

THE BUDGET

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

The House resumed from Thursday, April 10, the debate on 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, in commenting on the budget the other day I pointed out that it was frank and friendly. It was frank in that the Acting Minister of Finance (Mr. Robb) pointed very clearly to some important items in the figures he presented in connection with the reduction of debt which were legacies from the past, legacies which in this case were fruitful of dividend. It was friendly in that he approved of the action I took some years ago in trying to tell the truth to the people of this country as to what our exact financial position was. I wish our hon. friend would stick a little closer to the text, however. I am afraid that it is idle for the country to congratulate itself upon the fact that there is some suggested diminution in the national debt. Of course it entirely depends on how you figure it; it entirely depends on the method you adopt in your calculations. My hon. friend's own figures show that the whole surplus for the year's operations amounted to $20,000,000 odd. The salvage of former years, now applied, amounted to $9,600,000 odd. That of course, was made up, as is shown by the budget itself, in part by the writing off of our obligation on the basis of the present rate of interest as against the interest calculated upon all our bonds retired. That was something that had nothing to do with this year's operations as such. Then again my hon. friend has some further figures which amount to $1,300,000. I have a recollection of some old credits which were kept. There is one old credit which was kept faithfully and religiously. It was so old that I would be afraid to say when it started: It had to do with the pelagic sealing claims which might arise against us.

There was another one which arose out of the sale of the Royal Mounted Police buildings at Calgary, which was claimed to be a sum of money which could not be taken into our general accounting but which had to be held over on further future investment; and, of course there is also the ever-present balance in connection with exchange. I have no doubt but that what my hon. friend has done is to go back to these old matters—perhaps perfectly properly; I am not going to say not. It may be that no sealing claim will ever be made; it may be that the trust fund in connection with the Calgary property is in such a position that it could be applied to our purpose. But the point is that the whole of this $1,300,000, odd as pointed out by my hon. friend, has absolutely nothing to do with this year's operations.

Let us just see how the miracle happened—one year a deficit of $31,000,000; the next year a writing off of $30,000,000 of debt; the whole saving claimed this year being some $4,000,000 with a comparatively small increase in the nation's income. How does it come about? It simply comes about by treating that $50,000,000 which had to be raised for railway purposes as not affecting the debt one way or the other. That is how it is all done, just a mere matter of bookkeeping; you can do it any way you like, but that is the way in which it has been done.

Mr. ROBB: Will my hon. friend say in what respect we differed from the methods followed by himself?

Sir HENRY DRAYTON: My hon. friend, I think, is wrong. I might very well say to my hon. friend that if we in times of stress, far different times from what we have to-day, had to raise money in a manner which was not customary, that is no answer to-day. But my hon. friend is not right even then. Any moneys which were raised in former times by a guaranteed loan and not carried into the debt, as I recollect it, were invariably either for the retirement of existing capital obligations or else the construction of absolutely new works. Now I am going to modify that again. I say that when you do that, there is certainly some excuse for it if you are retiring capital obligations; there is certainly some excuse for it if you are constructing new property; but even then, unless we delude ourselves, those sums ought not now to be looked upon as an asset, but as an addition to the debt. Why? Hon. gentlemen have not got to remember very far back to what took place in the House the other day. we have cut down the list upwards of $400,000,000, if not more, of moneys which we have advanced to the system as being in active assets and representing nothing. My hon. friend the Minister of Railways said, and said very truly, that further reductions ought to be made; he is right. Why, every single year we own this property we go behind in connection with it the exact amount that we put up, having regard to our deficit account, interest and the like; so it becomes increasingly necessary that we ought not to look upon advances to railways, no matter how we disguise them, as constituting an asset which is net; it is not. Last year my hon. friend knows the railways went behind millions, and to the extent that they went behind millions to that extent is the position made just so much worse.

Let us go back to that $50,000,000 item again. The minister says that a substantial amount of that still stands on hand. I venture to say that if my hon. friend to-day has $18,000,000 of it left he is lucky, and if he has more he will tell me. But I venture to say he has not, and I further venture to say that before this year's figures are properly and finally closed, instead of having a balance of $18,000,000, his balance will look much more like $15,000,000, and I think my hon. friend will agree with me. What is this $50,000,000 for? My hon. friend says, new capital construction. What new capital construction has this House authorized? There is just one bit, and I am going to ask my hon. friend to interrupt me at once if I am wrong—only one bit of capital construction has been authorized and has taken place that I know of, and that is the "Longlac" cut-off connecting the old Canadian Northern line with the Transcontinental in the West. Am I wrong? Here is the Minister of Railways on the one hand, and the Acting Minister of Finance on the other; I ask them am I wrong? Both gentlemen know that that is the only bit of capital work that is being carried on. and what did that cost? It might cost $2,000,000; it might be worked up to $2,500,000; but again I venture to say that neither of these gentlemen will correct me when I say that it will not exceed $2,500,000.

Mr. GRAHAM: Would not betterments be included in capital?

Sir HENRY DRAYTON: I am coming to that in a minute. I am taking one thing at a time and I am now taking new construction. Does the minister desire to contradict that statement?

Mr. GRAHAM: I have not the figures with me, but I think probably the hon. member is wrong.

Sir HENRY DRAYTON: The minister thinks so. He will not hazard this statement, that there has been one single bit of other capital new work done; and if he does not know it, he ought to know it. But the truth is there is nothing further except that small bit of work, $2,500,000, which justifies a charge against capital in so far as new work is concerned, out of this whole $50,000,000.

Next, there is a twilight zone which is exceedingly hard to find things in and define things in, and that twilight zone is the zone that exists between betterments on the one hand and maintenance on the other; it is very, very hard to distinguish there. Why, if you want to so run a railway, you can have such charges to betterments that you can relieve yourself of practically all maintenance charges, get a wonderful operating statement, and frightfully overload your capital account. Betterments? I wonder if it is going to be suggested that all the rest of this is in betterments outside of that $2,500,000. Well, if it be all in betterments, Mr. Speaker, I marvel very much that instead of having an operating result of $20,000,000 this year, we have not an operating result of $50,000,000 or $60,000,000, because that ought to be arrived at if those methods be adopted. Betterments? Why, the Minister of Railways himself says that we have

already got more moneys against these railways than they are worth. Betterments against a property that we have already got charged up in our books with a sum far greater than its value? To talk about betterments in connection with that as a matter of net capital not subject to deduction, I submit, Mr. Speaker, is perfectly ridiculous. Well, there we are. That is how this surplus is arrived at; that is how we have the miracle, that claimed saving of only $4,000,000, on the one side, with but a small increase of revenue on the other. That is how the change is brought about from this deficit of $31,000,000 to the credit of $30,000,000.

Now, Mr. Speaker, the government claim to be an economical government. They actually have managed to economize in some things. I have gone over the formal statements, the last one bringing the period down to the 10th April, 1924, and I find the government have made some savings or savings have been made for them—in fact the latter statement is true of most of the savings. I am going to deal with these savings for a few minutes. In the first instance there is a saving on interest of $1,518,680. I wonder if the Acting Minister of Finance claims the credit for all that saving. The truth is that in all these refunding operations the government, of course, gets the benefit of the current rate of interest on the new bonds sold, and the people that lend the money really are the ones that bring about the result. We therefore have a saving of $1,518,680 but I do not know that anyone could look upon that as a great government achievement. Then we have a saving on premiums, discount and exchange of $121,413. My own opinion as to that is that it depends entirely upon the extent of the movement of money from one country to the other. That was something which no government could help, whether we take the year before last, or this year and in the year before last the amount was very small. Then we have these other savings claimed:

Legislation	$ 385,832
Health	10,079
Pensions	529,027
National Defence	677,430
Mounted Police	81,511
Railways and Canals, consolidated fund	1,617,462
Lighthouse and coast service	9,358
Mines	206,748
Railways and Canals, collection	1,459,173
Dominion Lands and Parks	535,590
Labour	1,033,642
Soldiers' Land Settlement	306,982
Soldiers' Civil Re-establishment	2,528,518
Total over	$11,021,000

The savings which involve no administrative credit are:

Savings on interest	$1,518,680
Premium, discount and exchange	121,413
Pensions	529,027
Soldiers' Land Settlement	306,982
Soldiers' Civil Re-establishment	2,528,518
Total over	$5,004,620

Now when we start to check up this matter the official returns show that the whole of the savings in all these consolidated fund payments for the year actually amounts to the magnificent sum of $1,055,060 only. That is why I have gone into this matter in detail. The items that I have enumerated are not items that any government desirous of considering the situation fairly could claim any credit for. We concede the items to which the government properly should not claim for amount to $5,004,000. Then there are other things working in favour of the government. The business of the Department of Railways and Canals is disappearing day by day; it is being more and more taken over by the management of the amalgamated lines. The tremendous machinery once required to run the Intercolonial is required no longer. Of course, expenses have got to come down there, and the added savings there alone amount to $3,076,635 which makes a total of $8,088,225 of savings that could not very well be avoided by the government—savings that were actually forced upon them. So that if you deduct these from the total savings effected it will be seen that the government can claim credit for administrative savings amounting to $2,940,000, but the statement of the government itself shows only $1,055,000 in all. Let us go a little bit further in the analysis of this matter. If you take the amount of net savings left from the savings shown by the government's own documents you have left a balance of $9,965,000 that has been entirely dissipated by the government. It is gone, gone into new ventures, new schemes of expenditure, new ideas of getting rid of money—either that or else there has been great extravagance in the control of existing departments. Well, if such be the definition of an economical government I wonder what the definition of an extravagant government ought to be. The figures are there to speak for themselves. However, I am not going to detain the House further in going over these figures. I am now going to address myself to the fiscal policy of the government.

4 p.m.

The Great War was often referred to as one of attrition. The government's campaign against Canadian industry might also be re-

ferred to as one of attrition. Here a bite and there a bite; something lopped off this man and a present given to that man; no general policy, no declaration of policy at all, but a process of tariff changing and tariff meddling brought about simply and solely for the purpose of deriving political advantage—that and nothing else. I should like to know who is helped by these tariff changes? Outside of my hon. friends opposite who are enjoying the emoluments of office we know that nobody whatever has been helped.

Who can honestly say that agriculture is to-day one whit better off than it was two years ago? No one can honestly say that. Who can say that agriculture to-day has received the slightest benefit from the cut in the tariff here and the cut there? No one will say so, not even anyone from the serried ranks of agriculture itself. They know that no one has received any benefit; they know that their position to-day has not been helped one whit by all the so-called measures of relief, the chipping of the tariff here and the chipping of it there. But what about industry? What about the other productive agencies of the country? You may have little changes here and little changes there that mean nothing whatever to the consumer, but which may mean everything to the worker, which may mean all the difference between profit and loss to the producer, and which may cut down his output and profit to such an extent that inevitably his cost of output must increase. Yes, it has helped nobody in Canada other than those occuping the treasury benches, and those of us drawing our parliamentary indemnities and seeking to continue to draw them. But it certainly has helped others. It certainly has helped the American manufacturer, the American railroader. What have my hon. friends already done in connection with their changes in the agricultural implement schedule? I am going to read a quotation from the United States Department of Commerce, which is interested in these things from an American standpoint. This is what it says:

> The outstanding feature is the large increase in exports to Argentine, amounting to nearly $8,000,000 and showing a total of $12,975,828. Exports for Canada, however, were greater, amounting to $13,736,091, an increase of more than four million dollars. Canada and Argentine occupied first and second place, respectively, in the value of implements purchased from this country.

Yes, my hon. friends are able to boast of something. They have done something. They have placed this country that used to be looked upon, and rightly so, as a great country of export as regards agricultural implements, in the position of ranking first in the list of Uncle Sam's exports of helping American manufacturers and American labour in something which ought to be indigenous to our country to a greater extent than any other industry.

Mr. McMASTER: For what year are those imports of American agricultural implements into Canada calculated?

Sir HENRY DRAYTON: This is the last statement I have been able to get. I have not the exact date with me, but I will get it for my hon. friend afterwards.

Mr. McMASTER: It would not be under the operation of the new duties.

Sir HENRY DRAYTON: To-day's duties? Certainly not. But we have had a continuous succession of cuts in the duty on agricultural implements.

Mr. McMASTER: For some of which my right hon. friend's leader boasted a short time ago.

Sir HENRY DRAYTON: I will debate that question now if my hon. friend so desires.

Mr. McMASTER: Not if my hon. friend would rather not be interrupted now.

Sir HENRY DRAYTON: I do not mind a bit; but if I digress, my hon. friend knows that I shall be doing so on his account, and I do not want to take up too much of the time of the House.

That is pretty good for this process of attrition; these strategic methods of the government are doing pretty well. More than one-half of the men who ought to be employed in the agricultural implement business are either idle in Canada or working in the United States. The process of attrition is going along well. I do not know if my hon. friends are very proud of the fact. Not only is there attrition in this industry, but the tinplate industry, the window-glass industry and the woollen industry are being strangled, starved to death. Let us assume that the western farmer has to pay all the duties in connection with the agricultural implements. Does anyone seriously think that a further remission of those duties is really going to help the farmer one bit? Surely, everybody who thinks about the matter at all, knows full well that Canadian agricultural duties have absolutely nothing whatever to do with the plight of the Canadian farmer to-day. Surely they know that all this is merely a political cry. If they do not know that, they pay no attention whatever to current economic happenings. There is no duty on agricultural im-

plements to-day in the United States. There was until they got the markets. They may have put the duty back on the last tariff; I did not bother to look, but they are not worrying about the duty there. Will anyone say that the American grain grower is better off than the Canadian grain grower? Why, hon gentlemen know that that is not the case. They know that the position of the western states is infinitely worse than that of our western territory, and they further know that mile for mile, load for load, it would cost the Canadian farmer over $15,000,000 more annually to transport his crop by existing railway rates in the United States. What the real difficulties of the farmer are, is also known very well. I am going to state them, and I am going to ask hon. gentlemen representing the West to tell me if I am wrong in connection with them. The first great difficulty of the farmer is loss of purchasing power in the great food consuming countries as a result of the war. Is there any dispute about that? Is that not the first and the greatest? The second difficulty is the practically prohibitive tariff of the United States, in the main directed against Canadian farm products. Is there any dispute about that?

Mr. McMASTER: I must draw the hon. member's attention to the fact that between 1913 and 1922 the exports of farm products, cereals, to Europe that is to say, continental Europe, increased six times and to Great Britain and continental Europe taken together about twice.

Sir HENRY DRAYTON: Perfectly true, there was an increase. Have you purchasing power to-day in Europe which will anything like look after your present crop that is now being offered, at a price that will enable you to live?

Mr. McMASTER: No.

Sir HENRY DRAYTON: We all know that the destruction in Europe is one of the chief and main troubles of the farmers.

An hon. MEMBER: What about the manufacturer?

Sir HENRY DRAYTON: The manufacturer of to-day is full of trouble, so much that I would not think the hon. gentleman who interrupts would want to increase it. These changes in the tariff are doing no good to anybody and only causing further trouble to the manufacturers.

My second point is this: The practically prohibitive tariff of the United States which is in the main directed against Canadian farm products. Is there any dispute about that? I pause for a reply on this point. Well, apparently there is none. I do not see very well how there could be an honest dispute on that point. The third point is that there has been a deflation of prices which has been more acute in grain and live stock, without anything like a corresponding deflation in the farmers' cost of operation. Is there any dispute about that? Can there be? There being no dispute on that point, we have the three reasons to-day why the agricultural West is languishing. Can anyone honestly say that the Canadian customs tariff on agricultural implements has the slightest thing to do with any one of these points?

An hon. MEMBER: Why, certainly.

Sir HENRY DRAYTON: An hon. member says "why, certainly". I would like to know how and why. It is beyond me. It certainly was not responsible for the war. It certainly has not been responsible for the United States tariff, and I venture to say that any hon. gentleman who takes the trouble to seriously consider the question will see it has little to do with the costs of operation. It is a mere bagatelle. If it averaged seven dollars a year, it is every cent it would average. What are we doing? What is the government's idea? There are the three difficulties with the farmers, and what they propose to do to meet those difficulties is not to help the farmer but to injure the manufacturers and to injure industrial workers. The government's past record of itself was such as to promote uneasiness and fear in the minds of business men, and I am going to quote now what the right hon. Minister of Finance (Mr. Fielding) said. The country deplores his absence to-day, and the thinking men of the country, at any rate economically, are convinced that he would never have brought down this budget. Less than a year ago on the question of stability he said:

> Nevertheless it is desirable that something like an assurance of tariff stability should be given to business men. Speaking broadly, it is possible to give the country a reasonable assurance of stability of tariff. Such assurances are very desirable for no business man would care to enter upon enterprises which may be brought into peril by frequent tariff changes.

Does that not sound sane and reasonable? The government was pledged to such a policy before fresh political exigencies arose. Then he goes on:

> Subject to the exceptional conditions such as I have mentioned, I think the country should be content to accept the tariff as it will now stand as one as fair and reasonable as can be prepared under all the circumstances, and business men should be able to carry on the various enterprises without the fear of being soon disturbed by further changes.

Stability of tariff cannot be expected while rates are high. But where the rates are for the most part, as in our tariff, moderate, a reasonable measure of tariff stability should be assured.

He said: "Where rates are high." I think the Acting Minister of Finance (Mr. Robb) would be unable to find lower rates anywhere in the whole tariff than those applicable to-day to agricultural implements. My hon. friend knows there is no lower rate. Further, let him go back ten years; was there ever any rate as low as the rate on agricultural implements? Why this budget, Mr. Speaker, shows that the government cares nothing about business stability, nothing whatever about industrial stability, nothing whatever about almost the last word of the right hon. minister whom hon. members opposite all so much delighted to honour, but whom they hold in such short recollection. Oh, no. There has been a new political exigency. Something more had to be done for and with the West. A new deal had to be made. The Right Hon. Mr. Fielding, his wisdom and experience are cast aside. Oh, no, this government did not care for stability in business, for stability in production, but they are very much concerned in stability of office and in the stability of the votes to be obtained from the Progressive party. Working to these ends, they are working well, and they think it is worth while. After all is it worth while? The right hon. gentleman had something else to say. I want to point out to the country that practically all the important tariff cuts in this budget are in favour of American importations. Is there any dispute about that? Is it not well known? What did the right hon. minister have to say about that? He said in this same budget:

Any desire that we may have towards a modification of our own tariff is naturally held in check by the high tariff of the United States.

That was Right Hon. Mr. Fielding's stand, not going at that time, as I then thought, nearly as far as Canada's national interests really demanded. However, Mr. Fielding did not want to see the country entirely handed over to the United States manufacturers. He wanted to see what would happen. Well, what has happened? The only thing that has happened since is that there are further barriers placed against the sale of our farm products in the American markets. That is all that has happened—nothing else. If this government ever thinks nationally, if they ever think in the general Canadian interests, do hon. members think after the United States tariff on wheat, for example, had been further raised from 30 to 42 cents, that they would have then turned round and seized the opportunity to give further concessions to the American exporters of this country? It really, Mr. Speaker, would appear consonant with Canadian government policy that if the United States had placed an absolute embargo on Canadian foodstuffs going into the United States to counter by placing certain favoured lines of American manufacture on the free list. That would seem to be the logical result of what they are doing.

We think seriously of this budget, Mr. Speaker, not only for what it does, but, we think far more of the state of mind it portrays, of the attitude on the part of the government that it shows, and of the absolute uncertainty that it creates. Look for one minute, Mr. Speaker, upon our position and consider the action of the government in relation to it, and you will appreciate to the full what I mean. We believe that Canadian interests ought to be the first concern of this House—not a pandering to the interest of those representing any section, but a furtherance of the interests of the whole country. In other words, we believe that this parliament should be just as much Canadian and look just as much after the building up of the Dominion as the American congress is American in looking after the building up of the United States and the advancement of its national interests. We believe therefore that the duty of our public men to-day is to see that Canada conserves and preserves every single one of her natural resources, to the end that the maximum amount of work can be got out of them, with the result that our workmen will earn the maximum amount of wages; that is, we ought to get 100 per cent of what our resources are capable of returning to us.

The negation of all these ideas is seen in the budget. Our conviction is that the bigger the pay roll the better for Canada; that to-day, probably more than at any other time, the happiness of our people can be best measured by our pay roll, whether that pay roll be industrial or whether it be agricultural; in a word, that purchasing power does not lose its virtues merely because it is derived from the factory instead of from the farm. The United States, for example, has not suffered because her industrial pay roll rose from $2,600,000,000 in 1904 to $8,200,000,000 in 1921; because the cost of raw material she used in her factories rose from $14,000,000,000 to $43,000,000,000 in the same period; nor because the value added by manufacture rose from $6,000,000,000 to $18,000,000,000. The purchasing power of her people was just as good, and enabled them to live just as well

and just as happily, and kept up just as many homes. In like manner Canada has not suffered because her industrial pay roll increased from $113,000,000 in 1900 to $581,000,000 in 1921; she has not suffered, nor have her farmers and producers suffered, because the raw materials used rose from $226,000,000 to $1,446,000,000 in the same period, and the gross value of manufactured products from $481,000,000 to $2,747,000,000.

I should like to know how our national business could have been carried on unless that had happened; I should like to know how the western railways could have been built; I should like to know how it would have been possible for our roads to-day to be carrying grain from the prairies at but a percentage of the cost charged by American roads. Would all of this have been possible but for the increase I have just indicated of Canada's industrial resources, her industrial wealth, her industrial output, and the tremendous field of taxation thus afforded.

Agriculture and manufacturing industry ought not to be antagonistic one to the other. They are not; they are complementary. They are made antagonistic from time to time simply for political purposes by people who think more of office than of the good of the country. What does the farmer grow his grain for? Not to eat it himself. What does he make his butter for? Not to eat it himself. His interest is in the industrial worker. The industrial worker has to be fed, and it is the providing him with foodstuffs that brings profits to the farmer. Surely it would be very, very much better for the Canadian farmer to-day to add to our population rather than send many of our best to the United States, where he cannot reach them with his products. Every single man that this policy sends across the line to join the 181,000 Canadians who have already migrated there is just simply further depleting the farmer's market.

Mr. COOTE: Does the hon. member insinuate that the farmers of this country wish our workmen to migrate to the United States? If so, would he please give the House some proof in support of his insinuation?

Sir HENRY DRAYTON: The hon. gentleman must not think that anyone is going to mix up the farmer with the farmer-politician. I never have. I do not believe there is one farmer in the West to-day who wants to hurt Canadian industry.

Mr. COOTE: I am merely asking the hon. member if he does insinuate that.

Sir HENRY DRAYTON: I have answered the hon. gentleman. I do say that for political purposes the thing is being done. No one knows that better than the hon. gentleman himself. He knows perfectly well that the total savings to his constituents by reason of the tariff reductions will amount to nothing individually. But nevertheless for the purpose of taking that rag from the wavering hands across the aisle and flaunting it in his constituency, he is quite willing to imperil the standing of our industrial workers.

Some hon. MEMBERS: Oh, oh.

Sir HENRY DRAYTON: I am extremely serious when I say that.

Mr. WOODSWORTH: Would the hon. member distinguish between workers in various sections of Canada? Does he think it will imperil the standing of workers in the Maritime provinces and not the standing of workers west of the Great Lakes?

Sir HENRY DRAYTON: I tell my hon. friend that there should be absolutely no difference made between our workers anywhere. Wherever there is work to be done in this country, it should be our interest to help our workers to secure it. I know of no distinction one way or the other.

Now, Mr. Speaker, Ontario is looked upon as the home of the agricultural implement industry.

Mr. MacLEAN (Prince): Before the hon. member proceeds would he kindly define what those Canadian interests are that he says should be protected?

Sir HENRY DRAYTON: Canadian interests surely must mean the interests of every proper activity in the whole Dominion which will afford our people the opportunity of supporting their families. That is a truly Canadian policy. I place no limitation on it. I know some people would introduce exceptions, favouring one class here as against another class there, creating trouble between this man and that man. But I do not understand the word "Canadian" to be so circumscribed.

Now, Mr. Speaker, I was saying that Ontario is looked upon as the home of the agricultural implement industry. It is a province which probably can be injured by my hon. friends with the least possible political danger to themselves. They are pretty well known in Ontario now. It may be the judgment of my hon. friends that it is largely the industries of Ontario which are being handed over as a sacrifice, as a burnt offering on this occasion. But I think they are wrong. This industry, which is indigenous to this country, has achieved a great deal of growth and has been continually expanding.

It is represented to-day in practically every province; I could give a few names in each province in the Dominion.

Mr. LAPOINTE: Hear, hear.

Sir HENRY DRAYTON: My hon. friend says, "hear, hear." I am going to get him to say "hear, hear" again, because I will show that this industry has made conspicuous progress in his own fair province. I am going to illustrate that by reading a few names.

Mr. LAPOINTE: That is not what the Tory newspapers say.

Sir HENRY DRAYTON: My Hon. friend will find that I am perfectly fair with him. There is quite a bit of business done in Quebec, and I am going to be quite fair and read the list. Here are the names, and I daresay my hon. friend will be familiar with a lot of them:

Beauchemin & Fils, Sorel.
The Matthew Moody & Sons Co., Terrebone.
W. F. Vilas, Cowansville.
A. Bélanger, Limited, Montmagny.
J. B. Doré & Fils, Montreal.
P. T. Legare, Limited, Quebec.
T. P. Logan Company, Limited, Quebec.
La Cie Charles A. Julien, Limitee, Port Rouge.
Plessisville Foundry, Plessisville.
Omega Machinery Company, Limited, St. Hyacinthe.
Roch Beauvais, Laprairie.
La Compagnie Bedard Limitee, L'Assumption.
La Cie Dussault & Lamoureaux, St. Hyacinthe.
Chalifoux & Fils, St. Hyacinthe.
The Godbout Company, Limited, St. Almé.
Laliberte & Boisvert, Plessisville.
Separateurs Domo, St. Hyacinthe.
Jean Tardiff, Plessisville.
La Compagnie Industrielle de St. François, Ltd.
Canadian Fairbanks-Morse Company, Limited, Montreal.
Canada Axe and Harvest Tool Company, Limited, Montreal.
Dominion Snath Company, Limited, Waterville.
Thomas Davidson Manufacturing Company, Limited, Montreal.
The Bedford Manufacturing Company, Bedford.
La Cie Desjardins, Limitee, St. André de Kamouraska.
Dominion Carriage Company, Limited, Montreal.
James Kenehan, Montreal.
Latour and Frere, Lesage.
La Manufacture de Voitures de Laurierville, Laurierville.
Arthur Richard, Ignace.
St. Lawrence Wagon Company, Limited, Montreal.

That is a rather large list. My hon. friend says that the Conservative papers say there are none in Quebec. I want to do Quebec full justice, and I have presented the list of them. I do not, however, remember any Conservative paper having said that. But my hon. friend tells me that is the case; perhaps he will deal with that when he is speaking on the budget.

[Sir Henry Drayton.]

Mr. LAPOINTE: I shall take that liberty.

Sir HENRY DRAYTON: Are the members who represent Quebec constituencies interested in the industrial welfare of their province? They have seen the industrial pay roll of the province of Quebec increase from $36,000,000 in 1900 to $164,000,000 in 1921. Are they entirely indifferent to the record of their province in that respect? Is it a matter of no moment to them? They have seen the cost of materials used in Quebec factories rise from $86,000,000 in 1900 to $406,000,000 in 1921; are they indifferent to that market for the Quebec farmer, the Quebec lumberman, the Quebec raw material producer? They have seen the gross value of their manufactured products increased from $158,000,000 to $784,000,000 in the same period. Are they interested? I should think they would be rather proud of that record. Are they really interested in keeping Quebec industrial workers at home, or do they want to wish them God-speed on their exodus to the States? They have had plenty of opportunities to do that during the last year; there have been any number of trains from Quebec carrying workmen from Quebec parishes, workmen who have been going to the States to get that which was denied them at home.

Mr. LAPOINTE: Mostly farmers.

Sir HENRY DRAYTON: My hon. friend says they are whiskey farmers?

Mr. LAPOINTE: There is something wrong with my hon. friend's ear. I said, mostly farmers.

Sir HENRY DRAYTON: I thank my hon. friend. I do not know where the trouble was, but I thought he said whiskey farmers.

Mr. LAPOINTE: The hon. gentleman wanted to hear that word.

Sir HENRY DRAYTON: Well, maybe they are mostly farmers. But is my hon. friend going to say that that was because the implement men were charging too high prices in Quebec? He has the opportunity.

Mr. LAPOINTE: What?

Sir HENRY DRAYTON: What is the matter with my hon. friend's ears?

Mr. LAPOINTE: What is the matter with my hon. friend himself?

Sir HENRY DRAYTON: My hon. friend knows it is nonsense. He knows that workers

have left Quebec in considerable numbers, yes, in thousands, and there is no use shutting one's eyes to it. Is he not interested, are the Quebec members not interested, in keeping the people of that province at home? Or do they want to wish them God-speed as they go to the States? The industrial record of Quebec is a fine record. I wonder how many gentlemen from Quebec are not only proud of it, but remembering also, as they do, their great compatriot, Sir Wilfrid Laurier, look upon the achievement of Quebec industry as one of the great monuments of his life? Do Quebec members believe in the Laurier-Fielding tariff, which they so assiduously preached at the last election? If they believe in it, if there be any honesty left in connection with the consideration of these questions; if these gentlemen believe in their province and believe in themselves, they will vote against this budget; they will vote to promote the interests of their province and the interests of their country. What is the reason of this cut in the duty on agricultural implements?

Mr. CALDWELL: As the hon. member is dwelling so largely on agricultural implements, may I ask him what is to hinder the Canadian manufacturer from taking advantage of that great market to the south when there is no duty on farm implements entering there?

Sir HENRY DRAYTON: That indeed is a brilliant suggestion. That is just the sort of suggestion I would expect from the hon. gentleman. It is just the sort of suggestion—

Some hon. MEMBERS: Answer it; answer it.

Sir HENRY DRAYTON: What is the matter with hon. gentlemen? They will get their answer. I do not mind being interrupted. They will get their answer just when I am going to answer the question; I have the floor. I say that this is the kind of question I would expect to get put to me by somebody, that in this year of grace it would honestly be suggested that something could be done by a country of nine millions of people towards forcing upon a world of tariffs everywhere free trade, and being able to get away with it. My hon. friend asks what about the great country to the south. Surely my hon. friend knows the size and the output of the American manufacturer. Surely he knows that so far in Canada we have been trying to get along as a united country doing something each for the other. Surely he knows, for example, that the Canadian manufacturer helps pay the wages by special duty, small it is true, of the miners down in Nova Scotia. Surely he knows that he helps to pay through taxes on a hundred and one things. Surely he knows that mass production always is and always must be cheaper.

Mr. CALDWELL: I am afraid the hon. member did not hear my question.

Sir HENRY DRAYTON: Well, let us have it again.

Mr. CALDWELL: What is to prevent the Canadian manufacturer of farm inplements from taking advantage of that great market to the south in view of the fact that there is no duty on farm implements entering the United States?

Sir HENRY DRAYTON: I have been trying to show that it is more expensive to manufacture here, but I will tell my hon. friend something that is just as plain as the nose on anybody's face. Let Canadians once start putting agents in United States territory, let them once get their foot in there in connection with the manufacture of farm implements or anything else, and you will have an emergency measure brought down in congress the next day and a tariff put on. We have had a tariff put on grain, on everything.

Mr. CALDWELL: May I ask another question?

Sir HENRY DRAYTON: If it is closer to the point, I do not mind.

Mr. CALDWELL: Is it not a fact that the Canadian manufacturer of farm implements is competing not only with the United States manufacturer, but with the European manufacturer who has the advantage of the cheap labour of Europe? The only place the Canadian manufacturer cannot compete is at home.

Sir HENRY DRAYTON: My hon. friend is an agent himself.

Mr. CALDWELL: No.

Sir HENRY DRAYTON: He sells fertilizers.

Mr. CALDWELL: I wish to correct my hon. friend. I am not an agent for anything, and have not been for a long number of years.

Sir HENRY DRAYTON: He used to be.

Mr. CALDWELL: I was never a machinery agent.

Sir HENRY DRAYTON: If the hon. member had known anything about it he would not have asked the question. My hon. friend must know very well that to-day Canadian manufacturers are maintaining factories in American territory because it is cheaper; he knows that is where they sell from. If he does not know it, it is quite impossible for me to try and inform him.

Mr. MORRISON: I was told by the manager of one of the largest implement manufacturing concerns in Canada last July that they sell most of their output in the United States, that if it was not for the United States market they would go broke, that they have a better market there than in Canada and sell their goods from New Jersey to California.

Sir HENRY DRAYTON: If that is the case, it is very remarkable that with this duty, which, of course, my hon. friend looks upon as being so enormous, $13,000,000 worth of the American product comes over to Canada. But that is very much by the way.

Now what is the reason of this cut on agricultural implements? It cannot be that the duties are out of line with other duties; we know they are not. It cannot be that the companies are making money. Again, we know they are not; they are passing their dividends; business is falling off, and falling off for obvious reasons. The latest figures I have are for 1922, and they show the value of products of all Canadian factories to be $18,240,000 as against $38,900,000 for the year 1921. Just think of that, Mr. Speaker, as the result of this government's shall I say fatherly care, or rather its tactics of attrition which are showing such wonderful results—a reduction in one year from $38,900,000 to $18,240,000. It cannot be they are making money. Everybody knows what the reason is. Everybody knows the reason is political. Everybody knows it is the retention of political power at the expense of Canadian industrial workers, and the amazing part of the whole thing is that the western farmer places his support at so low a price. What is he getting? Just let us see what he is getting out of this, that is, sticking always to the assumption I started out with, that the West does not want to injure the East, and I will never believe that it does; with that assumption what is the western farmer getting out of this? I have not any hesitation in saying that no real benefit is being obtained by the western farmer out of any single one of these tariff reductions. Let us see what they are. We have got budget resolutions dealing with 29 specific customs items; we have 8 items providing for increased, and heavily increased drawbacks. Now the budget gives us a forecast of an estimated reduction in taxation of $24,000,000. How much do my hon. friends figure they are getting out of that $24,000,000 in connection with these customs duties? Have they ever thought of that? Has a single one of them ever sat down to think, are my constituents getting out of this anything commensurate with the injury that will be done others? Allow for the fullest amount of selfishness—

Mr. SEXSMITH: On which side?

Sir HENRY DRAYTON: The hon. member says, "on which side?" He has it always. Giving him the fullest amount of selfishness. what does he think his support should go for? What is it worth? How much ought he to get from these cuts? How much does it take for the western farmer to support that wonderful endorsation of the government from the leader of the Progressive party? How much do they think they should get? Have they the slightest idea? Have they taken the slightest trouble any one of them, to see whether they are getting anything or not, or whether the country is not simply being injured? From the home and source of frequent interruptions I cannot now get a peep. Not one of them has considered, not one could even hazard a guess as to the price of western support.

Mr. GARLAND (Bow River): We are not for sale.

Sir HENRY DRAYTON: I am delighted to hear that. If you are not I know how you will vote on this budget.

Mr. GARLAND (Bow River): Perhaps you do.

Sir HENRY DRAYTON: The budget does not give any particulars as to that $24,000,000. I communicated with my hon. friend in an effort to learn how his estimate was made up. He referred me to his officials. If hon. gentlemen want to know the details, I will give them to them at once: Customs, $750,000. All this fuss and feathers, all the industrial disarrangement we have, the further cloud thrown over the whole of our business activities, for the sake of $750,000. Surely there is something wrong here: Customs $750,000; sales tax, $23,250,000; total $24,000,000. Has it come to this, that the whole underlying structure of our industrial edifice is to be imperilled for the sake of $750,000? I think it is perfectly ridiculous. My hon. friends to my left will not derive the smallest

advantage from some of the tariff items. There are twenty-nine such items and only fourteen of them affect the farmers. There are eight drawback items that will not give the farmers five cents; the manufacturer will derive the greatest benefit. This gain of $750,000 is not my estimate, it is the estimate of the government's expert.

Mr. SPEAKMAN: Does the hon. gentleman mean to say that this cloud of $750,000, this cloud no larger than a man's hand, threatens the industrial structure of the East?

Sir HENRY DRAYTON: In one sense the hon. gentleman is right; in another sense he is entirely wrong. So far as industry is concerned it is absolutely at the cross roads to-day. It does not know what is going to happen to it; it does not know whose head will next be demanded on a charger in order that the present government may be kept in power. Of course industry can stand a loss of three-quarters of a million of dollars if that is all that is meant. But hon. gentlemen know that that is not all that is meant. They know that in the case of the particular industry to which I have been referring its output is being cut down to $18,000,000 and that there are imports to the extent of $13,000,000. Do my hon. friends consider that is a very healthful position for an industry to be in? Do they think it is a good time to put a gun at its head no matter how small the object that is sought to be accomplished? Now, as I have already said all that the West gets out of this budget is a percentage of $750,000. But they get a grand political cry, they get something which to them as politicians is of great value. Is it worth it? The West may look upon this customs reduction as a victory but it is a pyrrhic victory of such a character that given a few more of them the West will be entirely undone. A few more attacks on industries will so affect the purchasing power of this country, will so limit the taxable field of Canada, that the West will feel it and feel it very severely. But even this government is aware that the agricultural industry is an important one and that it cannot be entirely sacrificed. With the reduced rates of the budget something had to be done to help the implement manufacturers get their raw materials and they are getting those materials free or at greatly reduced tariff rates. But these raw materials form the finished output of other Canadian industries. The publication issued by the Department of Trade and Commerce in 1923 deals with the agricultural implement industry from 1870 to 1920. It shows an increase in the payroll from $925,324 to $13,894,561 in that period. It also shows that in 1920 the materials used in the industry amounted to $22,588,390.

5 p.m.

Now, these materials, purchased as they were to a very great extent in Canada provided a substantial pay roll to the Canadian worker. I want to give the House some ideas of the other industries in Canada that are being injured by this tariff tinkering. I think the steel industry is being injured to a greater degree than even the agricultural implement industry. The former industry is getting no such concessions as the agricultural implement industry. The $22,588,390 of materials used in the manufacture of agricultural implements consist of the following:

Steel	$ 6,007,969
Pig and scrap iron	376,422
Malleable and grey iron	1,717,593
Iron, other	1,255,468
Other metals	136,387
Steel castings	192,198
Iron castings	1,421,161
Other castings	163,565
Iron piping	307,337
Galvanized and black sheets	589,481
Lumber and timber	2,673,993
Wood turned shapes	138,058
Metal wheels	153,262
Leather	114,316
Cotton, duck, canvas and textile goods	930,825
Paints, oils and varnishes	670,425
Rubber goods	195,258
Accessories and equipment for tractors and engines	475 851
Separator parts	77,927
Stampings	91,797
Bolts, nuts, rivets, etc	127,070
All other specified materials	347,541
All other materials	4,424,486
Total over	$22,588,390

The direct effect of this budget will be to transfer the purchase of these materials to the United States, and there is no compensation at all for the Canadian manufacturers of the above. Thus there will be an intensification of the present distrust and instability in Canada. The result will bear out the correctness of the prophecy of Right Hon. Mr. Fielding as Finance Minister. He showed what the results of further tariff tinkering would be and my hon. friends opposite will find his views in this case absolutely correct. Now, drawback provisions are always more serious to industry than direct tariff provisions. The drawback provisions of the present tariff are hitting the steel industry right and left. The great trouble is that no one knows what the next political exigency is going to be. The government are actuated by no principle one way or the other.

An hon. MEMBER: Why worry?

Sir HENRY DRAYTON: An hon. member says: "Why worry"? I wonder whether he thinks Canada has not a right to worry at the present time? Where is he? What hon. gentleman says: "Why worry"? Is he not concerned about a matter that goes to the very threshold of the Canadian worker? The hon. member sounds as if he came from Nova Scotia. Is he not interested in steel? The whole question is, whether you worry or not, whose head will go next. I am going to make a violent assumption. If this government, instead of being influenced by political motives, had really sought to look upon the whole question with a view of doing the right thing for the country in connection with this question of American importations, what would they do? They would look at their own trade returns and carefully note that our international trade with the United States for the past four years and ten months down to the end of January last resulted in an unfavourable trade balance to Canada of $1,100,000,000. Do you think, after noting that, if the care, if the good of the country, were a governing motive they would seek to enlarge directly that tremendous burden on Canada? If they were actuated as I was saying, under my violent assumption, by a desire to endeavour to do the best for the country, they would note that the United States were aiming to increase that tremendous drain on the resources of our country by increasing tariff exactions. They would observe the returns of the foreign commerce of the United States and learn from the statistical abstract of 1922 that while France purchased but $312,479,000 worth from the United States, Canada bought $536,513,000. They would learn that, apart from the United Kingdom, dependent as it is upon the importation of foodstuffs and raw materials, Canada bought more and far more from the United States than any other country in the world. After learning all that, they would come to the conclusion that Canadian business ought to be worth something to the United States, and that in view of those increased duties against Canadian products, to lower further our duties is but to betray the country. Is that nothing to worry about? Does this government like the recent tariff enactments of the United States? Did they like the increase from thirty to forty-two cents on grain? It is easy to say "no"—to deplore them—but just so long as prohibitive tariffs against us are met by cuts in our own tariff —and that is the way in which this government treats the matter—just so long are the prohibitive foreign tariffs invited.

[Sir Henry Drayton.]

Let me refer for a few minutes to taxation. Surely there is something that we can agree upon. Surely, we can all agree upon the fact that the race for first place amongst the most complicated, troublesome, vexatious and stupid measures of taxation which were ever conceived, is exceedingly close between the progressive stamp taxes and the sales tax as amended. I really do not know which is worse. We have still to bear the progressive stamp taxes, but just a little of the blister of the sales tax is to go. I have no doubt that those who are going to get total exemption will be extremely grateful, but I have no doubt they will wonder how the other poor chap who is left is going to get along. But it is humorous for this government to take credit for reducing the sales tax to a point that still takes much more money out of the public than the original sales tax which they found when they came into office and which they so much denounced. They call this a measure of reduction of taxation! If you make the thing absolutely top-heavy, you cannot do anything with it, and the government are not half collecting the sales tax today. We have questions on the order paper and we cannot get answers to them; but when those answers are brought down, we shall know the facts. When this government took office, the sales tax was one and one-half per cent on the manufacturer and one and one-half per cent on the jobber, an impost that was so small that, in most instances, it was not passed on to the consumer. The government immediately increased it by 50 per cent in each case—that is this government's method of reducing taxes,—and last year they increased the rate to 6 per cent, placing it at the source, thus entailing an actual cost, in the usual course of trade, of over 11 per cent to the consumer. Hon. gentlemen will find that result very easily by looking at the evidence given last year in the discussion on the matter. That 6 per cent tax is now to be cut to 5 per cent. That is a great achievement for this Progressive-Liberal government. We have a cut from 6 to 5 per cent—a wonderful achievement—and we have all the taxes left just as we had them, increased right and left. Why, the law of last session ought to have been repealed altogether. We got little out of it. For example, I do not know if that bothersome provision as to the $10,000 limit was ever seriously meant. It was absolutely unenforceable; it could not be worked. It has not worked, and thousands upon thousands of dollars of expense have been put upon Canadian business men as a result of that foolish bit of legislation. As I say, instead of its being simply amended, it should have

been repealed; but even crumbs are better than no bread, and we have a tardy recognition by the government, in the amendments proposed, of its palpable errors in its measure of last year.

This Progressive-Liberal government—I wonder where the heads are going to meet. I wonder who is going to swallow the other in this combination. I think both crowds will be rather hard to digest, but the spectacle is an interesting one. The real trouble is that the one thing which the Canadian public really knows is that, no matter what the cost may be to the business of Canada, whatever is necessary to be given up, whatever concession must be made in order that my hon. friends may remain in office, will be made, and yet people wonder that there is doubt, uncertainty and trouble in business circles. Oh, it is easy to turn up these trade reports and show results sometimes which, instead of showing a good state of affairs, indicate a very bad state of affairs. You can turn up reports and show exports when you have got a condition at home where your purchasing power has so gone down that perforce export has to be made willy nilly, but does anyone really think that those customs returns portray anything like the real condition of affairs?

This budget, Mr. Speaker, instead of helping this country as it should only adds to its difficulties. It does nothing whatever to help labour or to supply a job for anyone. Take the tin plate business, gone as it is, it does nothing to help it. Take the window glass business ,nothing is done to help it. In regard to woollen mills, even the Globe is crying for relief and talks about the necessity to do something, and contends there should be a recognition of our duty to do something to prevent the abolition of this important industry. But we find nothing here. The government are concerned with other things. Yes, the woollen mills may go to the United States, but for the moment the King administration must stand.

Hon. CHARLES STEWART (Minister of the Interior): Before beginning my remarks on the budget I should like to say how much we miss our old and faithful friend, the right hon. the Minister of Finance (Mr. Fielding). Recent reports would indicate that his health is much improved, and that we shall again have the pleasure of his counsel and advice in the government as well as in parliament itself. And may I say that, while we miss him, his position is very ably filled. I wish to congratulate my colleague, the acting minister (Mr. Robb), on the splendid presentation that he has made to the House in the well rounded out budget that he presented to us last Thursday.

To those of us who believe in the reduction of duties on the implements of production, coupled with the abolition of the sales tax, and followed by the large list of foods partially reduced or placed on the free list, the budget offers an alleviation from those burdens which we believe were crushing enterprise and industry, and goes a long way towards carrying out the desire of the Prime Minister in establishing mutual trust and national unity. I shall try to follow the acting minister's example by being brief, and I hope to the point.

May I, first of all, deal with the situation in Canada and the difference that exists between the Conservative party and those of more liberal thought for the improvement of the national situation.

The two old parties have always differed in methods to be adopted for the advancement of the agricultural and industrial life of Canada. The Conservative party have clung to their traditional attitude of protection for the manufacturing interests, while the Liberal party have adopted a more lenient course.

One could not help but be struck this afternoon, in listening to the address of the ex-Finance Minister (Sir Henry Drayton) by the fact that he saw very little wrong with the budget as presented on this occasion, but it was interesting to note the desperate way in which the hon. member declared that it was the death knell of protection. One would have thought that we were listening to a funeral oration this afternoon, and I trust that it will be the death knell of protection. I do not mean to suggest for a single moment that we should vote at this time to abolish the tariff in its entirety, but rather that we should do as we have been doing,—as to which my hon. friend complained so bitterly,—continually amend the tariff where it bears too heavily upon the production of the country. To listen to my hon. friend this afternoon one would imagine that, by the adoption of the protectionist policy, conditions in Canada would improve but he seems to forget, as all hon. members who advocate protection do, that in a new country like this, protection has imposed a burden upon the masses of the people, out of all proportion to the benefits enjoyed by the comparatively few engaged in industry. Let me draw attention to the fact that in agriculture and the various industries this tariff proposes to assist, there are engaged to-day nearly five million five hundred thousand souls. I have not a word to say against industry. I should like to see it encouraged in every way, and I argue that this budget will encourage it in every

way. It will encourage labour. My hon. friend asks: "What about the labour that is going to the United States?" I ask him: "What about the agriculturists who have been leaving Canada and going to the United States under present conditions?" With the number of people engaged in agriculture, in mining and in lumbering, Mr. Speaker, is it not meet and proper that at this time this government should be alive to the interests of so large a proportion of our population? Having that in mind, we have presented to this House a budget that seeks to ameliorate to a very large degree the burden those people have been carrying for a large number of years.

Mr. MEIGHEN: Will the hon. minister permit me—

Mr. STEWART (Argenteuil): The right hon. leader of the opposition will have all the opportunity he desires at a later date. Then, take the small number of people engaged in the manufacturing industries in the country, and reverse the problem. My hon. friend from Vancouver (Mr. Stevens)—and I listened to his statement with interest—argued that the ultimate hope of the Canadian people was the home market, and that the ultimate hope of the Canadian farmer was the home market. If the ultimate hope of the Canadian farmer is the home market, then a great many more of us than those who have had to leave Canada will have to depart in the very near future. My hon. friend mentions the fact that there has been a reduction in the sale of farm implements. Why should there not be? If my hon. friend knows anything about the agricultural interests throughout Canada to-day, large as the wheat crop has been, he knows that for the past three years agriculturists have been unable to purchase farm implements. It has been an impossibility to purchase them, and the stifling of the purchasing power of the people at home is the real reason that we have had a reduction in manufactured products. My hon. friend will know the facts, of course, and I accept his figures when he states that a goodly number of implements went abroad and still continue to go abroad. The manufacturers are able to meet the competition in the foreign field, and let me refer, Mr. Speaker to the care that is exercised in connection with the preparation of this budget. We took into consideration the fact that we should, not to any extent, injure the manufacturers of farm implements in Canada, and it is not the desire of the government to interfere with the interests of any industry in Canada. But let me say that, when the full effects of these reductions are felt and when the encouragement which will be given to agriculture permeates through the business of Canada, there will be less unemployment and less emigration to the United States than under existing conditions to-day. My hon. friend well knows that. And what I have said with reference to the agricultural industry applies also to the manufacturing industry.

But if we want a striking illustration of what effect protection has had on Canada, we have only to turn back to the decade following 1878, when under the Macdonald regime the National Policy was introduced embracing all the elements of protection. Perhaps I am going back a little too far for some of our younger members. But what happened? And I am very glad that a number of Toronto's representatives are in their seats. In 1878 we were told that protection would fill the dinner pail of the working man, that it would increase manufacturing throughout the Dominion, and that an era of real prosperity would descend upon us by its adoption. Toronto got along very well while the smaller manufacturing concerns were being amalgamated into larger institutions, for the National Policy had the effect of concentrating a large number of the smaller manufacturers into a few large corporations. As a result there was expansion in all directions in that great city, and building construction was undertaken on a large scale—my hon. friend from South Oxford (Mr. Sutherland) will very well remember the circumstances. But by 1890 the National Policy had placed the country in such a condition of depression that hogs were selling on the farm for $4 a hundred dressed weight, and cattle could not be disposed of at all; agriculture was at the lowest ebb in our history. This was after protection had had an opportunity to demonstrate to the people of Canada what it could do in the way of filling their dinner pails. Let me say to my hon. friends opposite that there was no period in our history when more of our people left for the United States. Let me say further, particularly to my hon. friend (Sir Henry Drayton) who spoke so glowingly of the great city of Toronto—and he has good reason to be proud of it—that there were thousands of vacant dwellings in the city and their owners were only too glad to let them free of rent in order that the windows might not be broken. That was the condition in the great city of Toronto after protection had been in operation for some years. I have no doubt that many hon. members will recollect that in those days the black flag was very much in evidence as processions of working-

men paraded the streets demanding "work or bread."

In 1896 we had a change of government; Sir Wilfrid Laurier came into office. Now, no one is going to suggest that overnight Sir Wilfrid Laurier changed the whole fiscal policy of this country. He did not. But he did one thing—he succeeded in removing the quarantine regulations against Canadian cattle. I went to the trouble the other day to look up the records in that connection. I remember the circumstances well because in those days I was living in this province. I remember that at once we had an increase in the price of our live stock. In a word, there was direct encouragement to our agriculturists —whom you have to encourage if you are to make the country prosperous, rather than begin at the other end and build up industry by imposing a toll on everyone. That is an example of what protection did for Canada, and I am sure that our older members who have had to do with public affairs for many years have not forgotten the circumstances.

From 1896 to 1911 we had a gradual growth, but without question it was the greatest since confederation. In 1911 we had another election, and the westerners were beaten on reciprocity. My hon. friends opposite accused the government of that time, as they are accusing the government to-day, of wishing to "truck and trade with the Yankees," or to "sell out to the American nation." Mr. Speaker, there was never anything further from the minds of any members of the government so far as I have been able to discover; rather they were and are, imbued with a whole-hearted desire to improve the economic condition of the Dominion. Strange to say, I notice from the record that both Sir Wilfrid Laurier and the present right hon. leader of the opposition were in favour of free agricultural implements.

Mr. MEIGHEN: I must object to the hon. minister misrepresenting me, even if he will not permit me to ask a question. I never expressed any such opinion at any time.

Mr. STEWART (Argenteuil): Not in 1911?

Mr. MEIGHEN: No.

Mr. STEWART (Argenteuil): I accept my hon. friend's correction. However that may be, he at least accepted the idea of lower tariffs, and he did one thing that I think is somewhat to his credit: During the regime of his government he put on the free list—and rightly so because he believed it would encourage production, which at the time we needed so badly—one implement which the farmer uses quite extensively; I am speaking of the small tractor.

Mr. SUTHERLAND: If my hon. friend will permit a question—what important reductions were made in the tariff on agricultural implements between 1896 and 1911?

Mr. STEWART (Argenteuil): Very little. But very great encouragement was given the farmer to sell what he could not dispose of in his home market at that particular time under protection which was to increase this market to such an extent that he would never need to export a single dollar's worth of his products.

My hon. friend (Sir Henry Drayton) pointed to the United States as an example of the benefits of protection. All I have to say is this: In the most highly protected country in the world, and the most favoured, the country that comes nearest to being able to consume its own products—because it exports only 8 per cent—the country that comes nearest to raising everything that is required for the support of its people—that country has to-day the highest tariff protection of any in the world. Has it helped the agriculturist there? I challenge my hon. friends to contradict my assertion that the agriculturists of the United States are in a worse condition than they have ever been in the last decade or two. that deplorable condition has been brought about—and no one will attempt to deny it—under a protective policy. I do not need to take up the time of the House by dwelling any longer upon a matter that is so obvious.

I do not believe, Mr. Speaker, that this budget was framed for the West at all, although my hon. friend has implied that it was put forward for the purpose of securing Progressive support. But I say to my hon. friends opposite, that if we had never had a policy that permitted trusts, mergers and combines in this country, I do not believe we would to-day have the cast iron Labour organizations which our workmen have formed in self-defence, nor do I believe there would have been any necessity for the farmers of western Canada or any other part of the Dominion to have organized a political party. These are the results, and the inevitable results, that flow from a policy of protection. But the budget is framed on broad lines and touches every part of Canada, particularly the interests of our agriculturists, in the hope that they will have a revival of prosperity and be able to purchase from our manufacturers to such an extent that instead of $18,000,000 worth of machinery being turned out by Canadian factories the demand

will necessitate a production of $140,000,000 worth. And then we will have the mass production that my hon. friend talks so much about, the mass production that reduces cost; that is the ultimate object of this budget.

I want to deal primarily with the condition in western Canada, and in order to be brief I have placed my remarks on paper.

Looking at the budget from the standpoint of a westerner, no one can fail to observe that while the measure, as a whole, has been prepared with scrupulous regard for the interests of all classes of producers and consumers in every part of the country, it has at the same time succeeded in extending the most clear-cut and practical recognition that has ever been given to the needs of those immense new agricultural and commercial interests which have arisen in western Canada within recent years.

This budget proposes a number of fiscal changes. And if there are any of these changes which should command the unanimous approval of all broad-minded Canadians, they are undoubtedly those changes that have been introduced mainly with the aim of fostering western industry and of stimulating further western development. Certainly the various fiscal departures that are being submitted to lighten the load on western producers will be accepted without question and with the keenest welcome by innumerable commercial interests throughout the Dominion as well as in the West itself. No argument whatever is needed to justify them in the eyes of any Canadian who has disinterestedly studied the vital importance of the part which the West is playing in the business life of Canada to-day.

As for the man who, on national grounds, still quarrels with the wisdom of these steps that are being proposed for the benefit of the West, there is only one explanation of his attitude. The explanation is this: That, as a student of our national affairs and position, he has failed entirely to appreciate the remarkable transformation which has taken place in western Canada in the last twenty years or so; and he has also failed to get any idea of the prodigious effect that western development has had in practically remoulding the commercial life of the whole Dominion.

With regard to this man who, for one reason or another, is still short on his knowledge and appreciation of the importance of the West as a factor in the business life of Canada, there is not much room for argument in his case. What he really needs is information. His chief need is to brush up on the business history and progress of his own country, especially during the short period since the opening of this century. When he has done that, even in a very superficial way, he will have gained some idea of the immense extent to which western development has been responsible for the general commercial advance of the Dominion. And he will also have gained an iron-clad respect and justification for the judgment which has framed those features of this budget which seek particularly to meet western needs.

He will find that just a quarter of a century ago neither Saskatchewan nor Alberta could muster a hundred thousand people all told. Commercially their contribution to the business of the country was equivalent to that of perhaps half-a-dozen or so of Ontario's forty odd counties.

Let him then take a glance at the contrast presented to-day. To-day the crops of the West and the buying power of the West furnish the life blood to a huge part of Canadian enterprise. Western prosperity has become a barometer for business throughout the country. The western wheat crop is of vital concern to commercial interests from Montreal to Vancouver. To-day no other single item in the whole range of Canadian production is watched with anything approaching the same degree of national interest as is centred upon the progress of the crops on the prairies from the time they are sown until they are reaped. Manufacturers, wholesalers, railways, financial institutions, business interests of all kinds, large and small, share in the boon or in the disappointments of the western harvest. The eagerness with which the crop estimates are received in every industrial or commercial centre in the Dominion tells the tale of how the rise of western agriculture has shifted the whole outlook of Canadian business.

But it is not only in its influence upon current business that western agriculture displays its vital importance to Canadian prosperity. It is also the fundamental constructive force behind the building up of huge additions to the country's permament producing assets of every kind.

One need only mention a few of the innumerable cases where western farm expansion has vitalized growth in other directions. Whole communities, divorced entirely from direct farm pursuits, owe their rise or growth to the settlement of the prairies. The coal fields of Alberta have been opened hardly less by the grain-grower than by the miner.

The lumberman and fruit-grower of British Columbia, the shipping cities of the Great Lakes and the St. Lawrence, owe a heavy measure of their growth and prosperity to the flow of business to and from the agricultural West. Dozens of manufacturing cities in eastern Canada have their flour-mills built or enlarged to grind western grain, their implement factories, their textile mills, furniture, leather, rubber and countless other manufacturing concerns leaning strongly upon the orders turned in by their western salesmen.

Take another method of measuring the tremendous importance of the place occupied by western Canada to-day, and of estimating its relative contribution to the commercial strength of the country. Lumbering has for generations been one of Canada's great industries. Mining, from Cape Breton to the Yukon; is a great and growing source of national wealth. Canada's famous fisheries employ tens of thousands of people and support a far-flung foreign trade. But it helps to give some idea of the business revolution that the growth of western Canada has effected in this Dominion when it is realized that to-day these three great basic industries of lumbering, mining, and fishing—despite their generations of growth—do not together equal, in value of annual output, the vast agricultural industries which have spread over the prairies of the West within an amazingly short term of years.

To-day all of the lumber sawn in the whole of Canada, plus all of the fish caught and landed, plus again all of the gold and silver, copper and coal, nickel and other wealth produced from Canada's mines—all of these lumped together do not equal the farm output of the prairie provinces which, only twenty or twenty-five years ago, were a decidedly minor factor in sustaining the commercial life of Canada. This commercial rise of the prairie provinces has formed the greatest single development in the entire economic history of the Dominion. Their agricultural expansion has been unquestionably the most powerful and versatile nation-building force that Canada has ever enjoyed. It has been an unrivalled force not merely in extending the areas of settlement but equally in attracting new population and capital, in widening both the markets and the sources of raw materials for Canadian manufacturers, in building up Canadian trade abroad, and in a dozen and one other nation-building activities.

Not in a single instance have the present budget proposals lost sight of the many varied interests in the country that must be given the most studious and enlightened attention —the interests of fisherman and farmer, of lumberman and miner, of merchant and manufacturer, and of the consumer in every walk of life. At the same time the budget is concrete and clear-cut in its recognition of these facts: That the new agricultural empire of the West is one of the great salient features of modern commercial Canada, and that the building of the West has injected into the business life of the Dominion a new producing and consuming area so big that the Canada of twenty or even of fifteen years ago presented few features at all comparable with it—so big in every business sense that no present or future Canadian statesmanship worthy of the name can even attempt to ignore it.

From the man who has failed to grasp these facts there can be expected no sound criticism of the present budget proposals in so far as they have been framed to meet the needs of western Canada—certainly he can submit no criticism founded on a true perception of the importance of western agriculture as one of the major and fundamental sources of the Dominion's prosperity and progress.

Mr. SUTHERLAND: Did this great development not take place under a high protective policy?

Mr. STEWART (Argenteuil): No. It never would have taken place under a high protective policy.

Mr. MEIGHEN: Never had one?

Mr. STEWART (Argenteuil): No, because the high protective tariff has gradually disappeared. We have had no high protective policy since 1878 or 1896.

Mr. MEIGHEN: The hon. member said it was not changed appreciably in 1896.

Mr. STEWART (Argenteuil): It was reduced appreciably all along the line and has been reduced by this government. I want to show in a few minutes wherein my hon. friend the ex-Minister of Finance (Sir Henry Drayton) is entirely astray in his deductions in connection with this matter.

I want to refer for a moment to forestry. For generations the forests of eastern Canada had played a leading role in building up industry and trade. The sawmill had founded more Canadian communities and fortunes than almost any other form of industry. But it was left to the last ten or fifteen years to witness an utterly astonishing advance of forest development. In that period the pulp and paper mill has usurped the prestige of

the sawmill. Lumbering, with its decades and even centuries of growth, still stands as one of the major pillars of Canadian industry; but in an amazingly short term it has seen the rise of a gigantic rival which in some respects already overshadows it.

Let me now make some reference to our minerals—because I am dealing with what may be regarded as our basic industries. The budget does not deal entirely with the interests of agriculture, although agriculture perhaps occupies a paramount place among our industries.

So far as mining is concerned, Canada to-day is very heavily a debtor nation in mineral trade. In fact, from the standpoint of strengthening our commercial position nothing would appear to be more desirable than to see growth of mining enterprise hold the centre of the stage in new Canadian development for the next ten or twenty years. It is true that mining and mineral using industries can show a record of steady and in some respects remarkable progress. But during the greater part of the last twenty-five years mining in Canada has been more or less crowded out of the limelight—first by the sweeping advance of agricultural settlement over the prairies and later by the equally spectacular rise of the pulp and paper industry. The result is that the Dominion's present position in mineral commerce does not appear to do anything like full justice to her natural capacity as a mineral producing country.

Our water power development, which plays so important a part not only in connection with the fuel situation but industry generally, is looked upon with great interest because it provides cheap power for the manufacture of electricity for our manufacturing interests throughout the country. The water power now developed in Canada amounts to nearly 3¼ million horse power, and represents, including transmission and distribution, a capital investment of $687,000,000. Despite the continuous development that has taken place in the past and some 750,000 horse power of new construction now in hand, the demand constantly exceeds the supply and it is estimated that some $300,000,000 of additional capital will be needed to meet the actual power demand of the next ten years.

May I refer for a moment to the implements on which the tariff has been reduced by the present budget in order to encourage the industries upon which I have already touched, outlining the position they occupy in the economic life of Canada. We have reduced the tariff, in order to encourage the basic industries of this country on the following: Mowing machines, harvesters, binders, reapers, cultivators, harrows, horse rakes, seed drills, manure spreaders, weeders, plows, threshing machines complete, field rollers, post hole diggers, hay loaders, stumping machines, grain crushers, potato diggers, hay tedders, farm wagons, fertilizers, axes, scythes, forks, spades and shovels; spraying machines, shears, pruning hooks and grading machines, incubators, brooders, milking machines, centrifugal machines for testing butter fat, rock drills, coal cutters, coal augers, stamp mills, ore and rock crushers, rotary and coal drills, coal washing machines, coke making machinery, saw mill machinery, logging machinery, and well drilling machinery.

So it will be seen that we have touched the whole field so far as our basic industries are concerned. The total reduction in the tariff amounts to $750,000, all told, to the tax payers of Canada, but I want to say to my hon. friend from West York that the effect it will have on the five and a half millions of people that I have mentioned and who make up the greater part of the population of Canada will be inestimable. It is impossible to compute the ultimate advantage they will derive in the way of encouragement by these reductions.

Then in addition, we have a reduction in the neighbourhood of $22,000,000 in the sales tax. I shall not deal with that except to say this: My hon. friend from West York has had a great deal to say about the pyramiding of the sales tax. Let me say to him for his information that upon careful computation the sales tax at six per cent is not one whit higher than the sales tax imposed by the recent government when pyramided to the ultimate consumer, and I make that statement without fear of contradiction. So when my hon. friend makes the statement that we increased the sales tax, we did nothing of the kind; we placed it at the point of manufacture, and it does not cost the ultimate consumer one whit more than the sales tax of the former government under the pyramiding process that went on.

Another very important item upon which the sales tax has been reduced is boots and shoes, and rubber boots. Here the sales tax has been reduced from six to two and one-half per cent. Surely this will not be for the benefit of the farmer alone; it will benefit not only the agriculturist but the worker throughout the length and breadth

of this country, and I am sure that will appeal to everyone. I am arguing from the standpoint that this budget is not one-sided; it does not apply to one particular industry or to one part of the country only, but to all our basic industries and to every part of Canada. It will give encouragement and hope to the manufacturers to increase their output and attain to mass production; it will mean more employment for the workmen of this country than they have enjoyed in the past three or four years.

One other thing I should like to say in passing, and this has nothing at all to do with the tariff, but it is of particular interest to the West, and that is that from a careful study of conditions as I see them in Canada to-day, if we are to succeed at all as farmers we shall have to meet the competition in world markets. There is scarcely a single article that is grown on the farm in Canada to-day of which the price is regulated by the home market that we hear so much about. Nearly every article of any importance that is produced on the farm to-day finds its way to the foreign market, and the foreign market fixes the price, and what we shall have to do if we are to succeed is to bring about co-operation among the farming forces, not for political purposes, but in our own economic interest, and cut down the immense spread that exists to-day between the price the producer receives and the amount paid by the ultimate consumer. That is something outside the tariff altogether, but I take this opportunity of expressing my firm conviction that we can do a great deal to help ourselves in this respect.

Now a word as to transportation, which plays so important a part in the life of our country. Just now a great deal is being said of the St. Lawrence waterway, and a significant fact in that connection is that sixty per cent of the wheat crop that comes over the lakes passes through the port of Buffalo. Ontario has come forward and is demanding in the interests of power development that they be given the right to secure power development on the St. Lawrence. That, of course, introduces the larger subject, but if this project goes on, I see in it something of immense benefit to the western farmer inasmuch as the grain boats that go to the ports of Montreal and Quebec will be able to proceed to Sydney and other Nova Scotia points and load with coal for a return cargo. One of the difficulties in the transportation problem not only in western Canada but the country generally is that we have only a one-way cargo and our trains go back empty. That has been one of the difficulties in connection with the movement of Alberta coal, but that difficulty will be overcome on our great lakes and rivers if this scheme can be worked out successfully, and it will cut the cost of transportation both ways and mean a saving of a very considerable amount annually to the western grain grower.

Something has been said about the cattle industry. I have already mentioned the impetus given to that industry in 1896. Again I think this government can do something that will be of benefit to the producers of cattle throughout Canada. Our great market for cattle to-day is the British market. We have to ship our cattle to that market over the north Atlantic, and the rates are very high. Negotiations are going on at the moment, and I hope before this House rises that we shall have something of interest to say to the House with respect to the transportation of cattle to Great Britain.

May I give a quotation to show how Canada is viewed by the eyes of the outside world? What is the opinion and outlook of the informed American with regard to Canada? The United States has invested an enormous amount of capital in the Dominion in recent years and American financial men have given keen study to the position of this country in regard to resources, to industry, to commerce and to finance. Quite aside from their investments which speak for themselves, their opinions are worth something. They give us the impartial view of the foreign business man. Let me quote a statement from an article which appeared not long ago in an American financial publication of the highest standard, over the signature of a vice-president of one of the leading national banks of New York city—Vice-President Russel, of the National Bank of Commerce, New York. He says:

> To-day Canada is probably the most favourable field in the world for investment, comparable only with the United States in the era of its most rapid physical development, from the close of the Civil War to the opening of the present century.

That statement, coming from an American, from a banker associated with one of the greatest institutions in the commercial capital of the new world, constitutes about the most sweeping tribute that could be paid to Canada or to any other country in a material sense. Anyone who has the faintest idea of the unparalleled progress made by the United States since the sixties will have some idea and appreciation of the confidence it betokens in Canada's present, and of the faith it implies in her future. The statement I have

quoted is not a solitary and isolated one. To take another instance, the Bankers' Trust Company of New York has published through its research department a volume on Canada in order that its stockholders and clients and friends may have reliable data about the Dominion. Among other statements the author of that book says: "Canada has scarcely begun to grow. Canada of to-day will without doubt develop during the next fifty years into a very powerful nation." These, Mr. Speaker, are some of the views held by our friends across the line with respect to Canada.

Let me say that eighty per cent of Canada's indebtedness is held by her own citizens. Canada's deposits in banks are increasing as rapidly as can be expected, showing that our people still have surplus amounts for investment. Returns for the eleven months ended February, 1924, indicate continued healthy growth of Canadian foreign trade. Already both imports and exports exceed those of 1923, and the balance of trade favourable to Canada on eleven months' business is $158,524,707. The figures indicate that at the close of this year we shall undoubtedly have exceeded our trade of a year ago by the sum of twenty millions odd. Statistics indicate that each succeeding year Canadians are increasing the percentage of products marketed in the finished or semi-finished condition, thus providing more labour for our own people and higher class freight for Canadian railways.

Canada occupies second place among the world's greatest per capita exporters. She occupies fourth place among the world's greatest traders in foreign markets. With only one-twelfth the population of the United States, Canada does nearly one-fourth as much world trade.

To lend further encouragement, the government is able to strike off by tax reduction no less a sum than $24,000,000. When it is remembered, as pointed out by the Prime Minister, that we have fixed charges of $300,000,000, this is a very considerable amount, but no doubt it will be realized through the impetus given to the basic industries.

May I say in conclusion that this budget should relieve the burden on, and increase the purchasing power of, five million agriculturists, and another 500,000 who are directly or indirectly engaged in mining, lumbering, fishing and kindred industries in Canada. I am therefore safe in assuming that it will lend encouragement to more than half of our population, and I feel confident that this will commend itself to all the people of Canada when it is fully understood in all its bearings upon our economic life.

Despite the lamentations of the Conservative party, telegrams are pouring in from all over Canada, congratulating the government on the splendid showing. Canada is coming back in fine shape under a business administration. The dawn of prosperity illuminates the business sky. The great producing interests of the country have taken fresh courage. There is now a feeling that the government is being conducted for the many and not for the select few. The grouch will pass away as a night illusion fed by the after effects of war and misleading propaganda. Canada is all right—I am convinced that we will have a steady growth in trade along all lines. Canada's great natural industries will flourish in proportion to the extent that they are unhampered. The government is removing the barriers. Canadians can take heart and go forward.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. J. FRED JOHNSTON (Last Mountain): Mr. Speaker, I wish at the outset to congratulate the Acting Minister of Finance (Mr. Robb), although he is not in his seat, upon the splendid statement that he furnished to the House on Thursday last in connection with the financial affairs of this country. One could tell from that statement that the minister was a business man. The statement was clear, concise and well delivered. At the present time in Canada there is a great cry for economy, economy in the expenditure of public money. This is true as regards every spending body, municipal councils, provincial legislatures as well as the federal parliament. This is a time when economy should be practised; but economy, like practically everything else, can be overdone, and wise expenditure of public money in times of stress can be made to pay dividends to the public weal. While I want the government of this country to practise economy in every way, I wish to stress that point, that the thing can be overdone. In the statement presented to parliament by the minister the other day, we have reason to take heart from the figures that he gave us. While the public debt stands at a tremendous amount, $2,453,776,868.74, and that has grown from $335,996,850 in 1914, we can see that a tremendous load has been placed on the shoulders of the taxpayers of Canada.

I wish to refer to some figures that the Prime Minister (Mr. Mackenzie King) put on the records of this House in his speech on the Address. He pointed out in that speech that during the six years of what might be termed the war period, $13,773,733 was added to the public debt over and above what might be termed expenditure for war purposes. That is, the government of that time did not meet their ordinary expenditure, but added this amount to the public debt, while for this year, out of an estimated ordinary revenue of $396,000,000 the Acting Minister of Finance on Thursday last reported a surplus of $20,786,349. He stated further that there might be added to this two other amounts, one of $8,305,760.37 received in settlement of an adjustment between this government and the Imperial government, and another item of $1,317,000, sundry outstanding indebtedness cancelled during the past year. This makes a total of over $30,000,000 as a reduction in our national debt for last year, and this, to my mind, is an encouraging statement for the people of this country. There is also an estimated reduction in the expenditure for the coming year of some $46,000,000 over that of last year. These reductions should be appreciated by the heavily burdened taxpayer of this country.

I think I remarked in this House on a previous occasion that, to my mind, the government having control of the finances of this country during the war period, did not impose taxes in the way that they should have done. When money was free in this country during the war period and huge fortunes were being piled up, it would have been a much easier task to impose and collect taxes than it is at the present time. The people were then better able to pay taxes, but they were not taxed. In connection with our loans that were floated during that period, all but the last of these were made free of taxation. To-day the people who are fortunate enough to have those bonds in their possession are sitting back and leaving what might be termed the producers of this country to carry the load of taxation. If we take into consideration the amount of uncontrollable expenditure that is necessitated principally on account of war activities, I think the taxpayers of Canada must give credit to this administration for materially reducing expenditure. We have that heavy overhead charge which this and no other government can get away from for a great many years, and I think this is a time when we all should be fair, particularly in connection with matters of finance.

Coming now to a brief consideration of the proposals in the budget as brought down last Thursday, the minister told the House that the reductions would result in a loss of some $24,000,000 of revenue. I think it is not unfair to say that the bulk or the larger proportion of this will come from the reduction of the sales tax. The saving that will result from the reduction of customs duties on certain commodities will form the smaller part. But in that connection it must not be forgotten that the amount of revenue lost from the reduction of these duties is not the whole amount when it comes to the taxpayer. These duties are pyramided very materially. Tariff revenue represents only a part of the burden imposed on sellers by protective duties. I think that is a statement that cannot be gainsaid. The total value of dutiable goods imported in 1923 was $537,258,782, producing a revenue of $133,803,370.12. The significant part of this statement is that of this amount $274,322,000 was the value of articles commonly used in consumption by producers or wage-earners; but these imports produced over $71,000,000 of duty, which is considerably more than half of the total revenue; so that necessities coming into this country are carrying the larger percentage of the customs taxation. Fifty-four per cent. of tariff revenue is derived from 51 per cent. of the dutiable imports. How are these reductions in customs duties received in the country? I noticed a few days ago a Canadian Press despatch dated Windsor, Ontario, where the leader of the official opposition was speaking, and it has this to say:

> Prediction that the coming budget at Ottawa will contain no announcement of further reductions in the tariff on agricultural implements was made by Right Hon. Arthur Meighen, speaking here on Saturday afternoon.
>
> "The budget is to be down next week," said the Conservative leader. "I stand here and assume, perhaps for the first time, the role of prophet in this Dominion and venture to say, having watched the whitening gills of the government for the last three weeks, that when the budget is delivered all the reduction you will see on farm implements you can place in the left hand corner of a thimble. The Progressives will be fooled just the way they have been fooled every session since the government came into power."

I think the right hon. gentleman will have to admit that he is no relation of Jeremiah of old and cannot take his place as a real prophet. I noticed too that after the budget had been delivered the same hon. gentleman stated that the reductions in these duties meant a fatal blow to the industries affected.

Another despatch from Toronto dated April 10th which to my mind is a lot more encouraging and nearer the truth, states:

Hon. John S. Martin, Ontario Minister of Agriculture, who farms four hundred acres at Port Dover, Ontario, thinks the Robb budget will benefit Ontario farmers. He could not tell the full effect of the tariff reductions on agricultural machinery without an opportunity of studying the details.

"So far as the proposals affect incubators and brooders," he said, "the reduction will be of material benefit to poultrymen and will undoubtedly aid in increasing poultry production. I say it is a good move, unhesitatingly, because there are no mammoth incubators manufactured in this country.

"The doing away with the sales tax on farm implements and machinery I also have no hesitation in saying is a good thing for agriculture in Ontario, and will to a certain extent relieve the farmer of the difficulties under which he is now working."

Mr. STANSELL: Will the hon. member also read the statement of the same Minister of Agriculture for Ontario the following day, in which he contradicts in large part the statement which has just been read, and states that it was overdrawn from the facts he gave out?

Mr. JOHNSTON: I did not happen to see that article my hon. friend mentions. However, when I read the article I expected there would be another one following because the hon. gentleman in question belongs to the same party as my hon. friends to my right. I know Mr. Martin by reputation. He is an active agriculturist in the province of Ontario, known in every part of Canada. In the article I have quoted from he is speaking as an agriculturist, and I expect that in the article my hon. friend refers to he is speaking as a politician. I expect, Mr. Speaker, that in the case of every industry which happens to get into financial difficulties in this country in the next two months or two years, the failure will be attributed to the reductions in the customs duties. I have also a despatch from Montreal dated April 11th. It is in the form of a letter and reads:

R. W. Gould, secretary of the Quebec division of the Canadian Manufacturers' Association stated today that he had received a letter from the vice-chairman of the St. Hyacinthe branch, and who is also head of an agricultural implements plant at St. Hyacinthe, informing him that his firm had been compelled to go into liqidation as a direct result of the budget.

That is pretty quick work. The budget came down Thursday afternoon about four o'clock, and this letter must have been written that day or early next morning in order to arrive in Montreal on April 11th.

Mr. HOCKEN: Will the hon. gentleman read the opinion of that good Liberal organ the Brantford Expositor?

[Mr. Johnston.]

Mr. JOHNSTON: I happen to be a busy man and I have not time to read all these articles.

Mr. MORIN: I am the member for the St. Hyacinthe riding and I may tell hon. members that the news published in the Gazette which the hon. member refers to was fabricated in every part of it and that there is no question of the liquidation of the company referred to.

Mr. JOHNSTON: I am glad to have that assurance. I understand that the hon. ex-Minister of Finance (Sir Henry Drayton) during the course of his speech this afternoon stated that the farmers of this country were not asking for reductions in the customs tariff, that the demand came from farmer politicians. I am sorry the hon. gentleman is not in his seat, for I should like to ask him how it is that we happen to have farmer politicians in the Dominion. We did not have them prior to 1911. At that time his party came into power, and it was during its term of office that the farmers reached the decision that it would be necessary for them to take political action to get a change in the fiscal policy. That is the reason why we have the farmer in politics to-day. I remember reading an address delivered by the right hon. Minister of Finance (Mr. Fielding) in the city of Montreal during the campaign of 1911 in which he expressed the hope that the manufacturers would not turn down the reciprocity pact, and he added, "If you do, I can see the day when you will be sorry." Probably the dawn of that day is about to break.

The hon. member for West York also said that Canada was losing her artisans, the exodus to the United States being made up largely of this class. But many farmers have been and are still leaving this country. In this morning's Citizen I noticed this article:

The problem of the intending farmer who arrives in Canada—

From overseas I expect.

—with little or no capital is occupying the Land Settlement branch of the Department of Immigration just now. A statement issued by the Hon. J. A. Robb says that recent surveys of the situation in Canada have disclosed that in many communities there are farms equipped with habitable buildings which can be had on very nominal first payments or without any cash deposits at all.

That does not bespeak a very flourishing condition of agriculture in this country.

I wish to digress for a moment to take up a couple of matters that are more or less local in their nature, but are nevertheless of vast importance to western Canada. One of

these may not be very popular with some people in the East, but nevertheless it must be faced squarely by this House. I refer to the completion of the Hudson Bay railway. Last week a delegation came to this city from an organization that was formed in Winnipeg some ten days ago, known as the "On-to-the-Bay-Association." This organization was the outcome of a convention attended by about fifteen hundred delegates, including some from across the international boundary, one of these being an ex-governor. The people of western Canada are desperately in earnest about the completion of this road. It is not necessary for me to go into the history of the project in detail, for it is pretty common knowledge to hon. members. It has been before the country for forty years and was endorsed as far back as 1906 by Sir George Foster, in 1908 by Sir Wilfrid Laurier, and in 1910 the present Minister of Railways (Mr. Graham) turned the first sod at The Pas. I am sure the people of the West are hoping that he may in the very near future drive the last spike on the completion of the road. In the interval we have had several changes of government, but since the project was undertaken we have had no administration that has not endorsed it. Therefore I would impress upon the government the absolute necessity of completing the road. This will call for some additional expenditure, it is true, but the western people believe that the lands of their provinces have about financed the scheme, and they want it completed. I believe that if for no other reason than to steady the morale of the people of the western provinces, it would be money well spent to complete the road to the bay. One of the delegates, a Mr. Patterson, whose firm handles grain in large quantities, operating 130 elevators on the prairies and terminal elevators at the head of the lakes, stated to members of this House that as soon as the road reached the bay he was ready to build an elevator. Enthusiastic delegates both here and at Winnipeg claimed that once the road is built to the bay private enterprise will look after whatever elevator accommodation may be necessary.

The other matter has to do with the effort that is being made in the western provinces to form pools for the co-operative handling of our grain. In this connection a resolution has been forwarded to me from the legislature of Saskatchewan. It is as follows:

"That the federal government be asked to immediately make a division or partial division of the surplus funds from the operation of the Canada Wheat Board among the provinces in proportion to the amount of wheat contributed by the producers of each province, and that in the opinion of this assembly in case such division or partial division is made, the government of the province of Saskatchewan should advance to the Saskatchewan Co-operative Wheat Producers' Limited, such sum or sums as would from time to time appear to be necessary and warranted, and that the expenditure of any moneys thus advanced should be subject to audit by the provincial auditor."

I believe a delegation waited upon the Acting Minister of Finance (Mr. Robb) in the fall months of last year, but they did not meet with much success. That delegation came from the wheat producers' organization. While I can understand that the minister might hesitate to act on the representation of a delegation such as the one which waited on him, surely he can have no misgivings when he is dealing with a responsible body like the legislature of Saskatchewan. Therefore I hope he may see his way clear to turn over that proportion of the surplus funds which rightly belong to the province of Saskatchewan, and which have been in the Dominion treasury as the result of the operations of the old Canada Wheat Board. It is true the western people owe the federal government money on another account, but it is not right to rob Peter to pay Paul, and the withholding of these moneys from the province is not the way to secure payment of an account that has been past due for years in connection with certain relief given the farmers of the West. I am sorry the right hon. leader of the opposition (Mr. Meighen) is not in his seat.

An hon. MEMBER: He is behind you.

Mr. JOHNSTON: During last summer the right hon. gentleman visited the constituency which I have the honour to represent, and on that occasion he discussed wheat pools and wheat boards. At the town of Govan in the Last Mountain constituency—I hope my right hon. friend will correct me if I am wrong in my statement of what occurred there—he took occasion, in referring to the wheat board legislation of this parliament which was put through in 1922, to say to his audience in the hall that evening that there was only one man in this parliament, one member of this whole House, who thought that that legislation would ever be put into effect, or, if it was put into effect, that it would be any good, and that was the member for Last Mountain. In making this statement, the right hon. gentleman did not have any foundation in fact—

Mr. MEIGHEN: May I correct the hon. gentleman? He could not have been there or he would not make such a statement. I made no assertion of that kind at all.

Mr. JOHNSTON: I am glad to have that from the right hon. gentleman. I did not lightly bring this matter up on the floor of the House; I had the statement from responsible persons in the Govan district.

Mr. McMASTER: Were they Conservatives?

Mr. MEIGHEN: I am afraid they must have been pretty strong Liberals, or Progressives.

Mr. JOHNSTON: They were Progressives.

Mr. MEIGHEN: It is just the same.

Mr. JOHNSTON: That is what I wanted to get from my right hon. friend, because it puts me absolutely right.

Reverting to matters pertaining more to federal affairs, I feel that those who are to-day charged with the responsibility of government in this country are not responsible for the geography of the country, and we have geographical conditions to contend with. It is often stated, and I think generally agreed to, that we in this country are divided into three sections, the Maritime provinces, the central provinces and the western provinces. In many ways British Columbia cannot fairly be classed with the prairie provinces. This geographical condition makes for division in an economic sense, for the needs of one section are different from those of another. I think it may fairly be stated that the needs of the Maritime provinces and those of the prairie provinces are nearer alike than the needs of these six provinces are with the other three. The natural market for the Maritime provinces lies in the New England states, and the natural market for the prairie section lies to the south of the international boundary. If this be true, it must follow that we are going against an economic law in endeavouring to build up trade channels east and west when natural routes lie in the opposite directions. Let us then admit this difficulty frankly and seek for a remedy or for the best way to overcome the handicap. I may say, Sir, that the people of the prairie provinces are not only willing but anxious to do their share to build up a united Canada, but they will not continue indefinitely to pay tributes to other parts of Canada in bonusing industries that cannot stand on their own feet, particularly those industries which are not based on products natural to this country and from the operation of which the agriculturists receive little or no benefit. So far as the prairie sections of Canada are concerned, I make this statement, Mr. Speaker: they are through with high tariffs in this country. All changes must be downward.

[Mr. Meighen.]

I am going to read to the House a statement made by a gentleman whose views will, I am sure, carry some weight with my hon friends to the right. It is a statement made by the Lieutenant Governor of Alberta, speaking in Winnipeg some little time ago, and reads as follows:

> Until we have a real voice in the settlement of our own affairs Canada as a whole will not go ahead efficiently. During my recent visit to the East, I have at times been goaded to exasperation when I have heard people there saying that it has been the East that has developed the West. It has been the West which has been a godsend to the eastern manufacturer and I would say it was the West that had made possible the efficient development of the East and the stabilization of its industries. If a barrier was placed at Fort William, what would happen to all the eastern industries? They would be ruined. I am not given to talking but, on this occasion, I feel called upon to give out this statement, so that the peoples of the West will realize the absolute importance of continuing to hammer away until they have a real voice in their own affairs.

The article goes on:

> When a man in Dr. Brett's position, whose loyalty to Canadian ideals cannot be challenged, allows himself to speak for publication of cutting Canada in two at the head of the Great Lakes his words should not pass unnoticed in the older provinces to the East. There are only three ways in which the western provinces can secure "a real voice in their own affairs." They are secession, outvoting the other provinces in the House of Commons and convincing those provinces of the justice and necessity of admitting the right of the western provinces to a larger measure of authority in the determination of questions vitally and primarily affecting them.

I thought when I read this article that if a western member from this part of the House had given expression to a sentiment of that kind, he would have been severely taken to task. Nevertheless there is some feeling along that line in western Canada and it behooves not only members of this House but the people generally of the central provinces to take heed. Political discontent is reflected in threats against confederation in some quarters. Political unrest has its root in economic disability, and so long as in this or any other country you have people labouring under economic disabilities you are going to have trouble which, if prolonged, will lead to political disintegration.

When the hon. member for Springfield (Mr. Hoey) was speaking in the debate on the Address some weeks ago, he proposed that this government call an economic conference. I think that was a wise suggestion, and I was confirmed in that idea when I had the pleasure of listening to a gentleman known personally to some members of this House and by reputation to many, Mr. John F. Sinclair, the United States economist, author and banker, and an ex-Canadian. Mr. Sinclair, speaking to the Canadian Club here a few days ago,

stated that the United States must co-operate with England and other nations by calling an international trade congress which must accomplish everything necessary to build up again the broken industrial machinery. Mr. Sinclair advanced five courses of action which he considered were necessary to solve this problem.

The first was, and I would direct this to the attention of my friends to my right, that tariff walls all over the world must be cut down and cut down drastically; 50 per cent now, and 5 per cent per annum for the next ten years.

Secondly, all nations, creditors and debtors too, must be gathered at the round table and must cut arms and arsenals; 50 per cent at once and a further percentage each year until they reach the vanishing point.

Thirdly, a moratorium must be declared for 15 years all over the world in the matter of the payment of war debts. Six hundred million dollars a month is an altogether impossible sum to be paying in interest charges on these.

Fourthly, the surplus of gold that America has, and does not need, must be handed back to Europe.

Fifthly, credit must be extended by the United States and by England to other nations; for Europe cannot live as peasants.

By these means Mr. Sinclair thought the industrial machine could be rebuilt. With regard to the tariff walls he admitted that the United States led in this respect and he characterized it as an exceedingly bad lead. As to the gold, he stated that America had two billion dollars more gold over there than she had three years ago. Her federal reserve was bigger than necessary. A $10 bill had $15.64 of gold behind it in the treasury. "We don't need it," he said, "and Europe does." Besides this, we find that seventeen nations of Europe owe the United States twelve thousand million dollars, with interest charges piling up at the rate of two million dollars per day, or as my hon. friend from Springfield (Mr. Hoey) calculates, at the rate of $4,000 per minute. It would appear that there is need for such a conference, and as has been suggested what a fine thing it would be if this young country representing the two great races, could be the first in the field and take the initiative in calling a conference.

In conclusion, I wish to quote from the words of the Acting Minister of Finance (Mr. Robb) in his address of Thursday last. He says in Hansard at page 1218:

> Whatever division of opinion Canadians may have, surely we share a united confidence in the future of our country. We have great natural resources. We have certain basic industries, upon the success of which depend the growth of all other industries, and the greater development of our trade. Of these basic industries, I would place agriculture, in all its varied branches, first. Next to agriculture, I would place our forests, our minerals and our fisheries. A real national policy is a policy that will encourage the growth and development of these basic industries.

Too bad, Mr. Speaker, that this was not thought of some fifty years ago when we adopted a national policy in this country that started to build from the top down instead of from the bottom up. We have got an economic structure to-day as a result that is like a pyramid standing on its apex. Had we given a chance to the basic industries as pointed out in the words I have just quoted of the Acting Minister of Finance, we would have had a much greater development and a much larger population in this country. He continues:

> 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—

And no one will deny that our transportation companies need more tonnage.

> —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 will have money to buy.

There is the point. Had we given a chance to these basic industries to develop as they would have done, the factories of this country would not be crying out to-day against reductions in the tariff, as they would have had a much larger population to cater to. Now that the government have taken this step, let them not stand still, but press forward until the protective element in our tariff is completely eliminated. This will remove the shackles from our basic industries, and we may then look for that progress and development in our country which is so much desired by all.

Mr. HOCKEN: May I ask the hon. member a question? He told us that the natural market of the West was to the south. Will he explain to us how the West is going to get entrance to that market with the existing United States tariff?

Mr. JOHNSTON: My hon. friend will remember that I spoke of the year 1911, when an attempt was made to get into that market with our natural products, but my hon. friend and his friends denied us the right.

Mr. HOCKEN: That is thirteen years ago. If the hon. gentleman cannot answer the question, I will accept that statement, of course.

Mr. JOHNSTON: I am dealing with conditions as we have them to-day and have pointed out the geographical handicaps we have to contend with. Canada is a young country, and I hope for better conditions, as I hope my hon. friend does.

Mr. J. L. STANSELL (East Elgin): Mr. Speaker, before entering upon the few remarks I have to make on the subject now before the House, that of the budget, I feel that I should say a few words on another subject in order to protect the interests of a gentleman who is not able to appear on the floor of this House to protect himself. I refer to the statements attributed to the Hon. Mr. Martin, Minister of Agriculture in the Ontario government. I have been intimately acquainted with the Hon. Mr. Martin; I have appeared on the same platform with him, and I know his views on the fiscal question very well. From the standpoint of the farmer he is a pronounced protectionist. I believe, however, that he is not the first public man who has had a chance remark distorted or twisted in a way to bolster up some argument entirely foreign to his views. I noticed that the article that was read here to-night by the hon. member for Last Mountain (Mr. Johnston) was followed by an explanation in the press the following day that in a large measure contradicted what the hon. member has just read. I think every member of the House will recognize that the views of the Hon. Mr. Martin should be given to the House as he wished to express them, rather than as they have been read this evening. I quote from the Canadian Press:

> Hon. John S. Martin, Minister of Agriculture, in the Ontario government to-day denied that an interview given by him last night in connection with the Dominion government's budget could be construed as a general approval of the budget.
>
> "Such an impression is entirely erroneous," said Mr. Martin to-day. "So far from approving of the budget I consider it disastrous from the standpoint of the Canadian farmer, particularly the eastern farmer."

I might say further that he explained that his remarks had reference to a style of incubator not made in this country, and naturally if the duty were taken off an article not made in Canada it might be of assistance to those who wished to purchase it. However, it would be of very little advantage to the great majority of farmers because most of us do not use that style of implement. I am quite sure that the House will feel that it should have the Hon. Mr. Martin's actual views upon this question.

First I must offer my congratulations to the Acting Minister of Finance (Mr. Robb), who is not in his seat, for the manner in which he delivered the budget. The financial statement was brief and concise, and for that the hon. gentleman is entitled to commendation; but I am not so sure that we can congratulate him upon the subject matter of the budget itself. The budget leads inevitably to a discussion of the question of protection versus free trade. In the few words I wish to utter on this question I shall do so from the standpoint of the farmer. I shall not speak as a theorist, but as one who is interested in agriculture and having a practical experience of that great industry.

The hon. member for Springfield (Mr. Hoey) in outlining his views on one occasion stated that he was entirely free from political bias, that he was simply uttering his own personal views absolutely untrammelled, and that in giving such expression he was as free as the wind which sweeps over the western prairies. I have no reason whatever to dispute that statement on the part of the hon. gentleman, and the only request I have to make is, that in the discussion of this question my hon. friend and his followers will give me credit for the same independence. Any claim which he set up to freedom from political bias I should like to apply with equal force to myself under the present circumstances.

Before referring to the tariff changes I might say just a word or two with respect to the government's claim to have balanced the budget and reduced the national debt by about thirty million dollars. I believe it is generally understood that this result has been arrived at by a process of figuring in which, by guaranteeing fifty millions more of railway securities, we have lessened our obligations to that extent. To cite the minister's own words this is merely a guarantee or a simple endorsement, and does not add to the national debt. Perhaps I am not the only member of the House who knows what "signing a note" or "endorsing" one means. This is the first time I ever heard the effect of such a policy of this kind explained in this manner. Because it must be remembered, when it comes to dealing with the National Railway system, that the people of Canada are the owners, and hon. gentlemen in this House are simply the directors of that system. If that be so then the people of Canada have got rid of fifty millions of indebtedness by endorsing their own note. On many an occasion, in my own experience I should have been glad to have been able to get rid of an obligation by such a simple process. It is a very simple matter to balance a budget or reduce the national debt by any such means. However, in my humble opinion more sub-

stantial evidence will be needed before the House, or the country, is convinced that we are prospering to that extent.

Conflicting views prevail among hon. gentlemen with respect to the tariff. Some hold that free trade is a very desirable thing, and they would like to see the principle adopted in our fiscal policy. Others—and among them must be included those of us sitting in this corner of the House and representing the Liberal Conservative party—believe in a moderate protection. It will, I believe, be admitted that in Canada we must either have tariff protection or we must have recourse to free trade. Surely no one will argue that we can have free trade in operation on part of our industries and protection in force as respects the balance. I think it will be apparent also that the framing of a policy by the counting of votes does not demand a very high order of statesmanship. Nor is the national interest best served by evolving a policy calculated to win sufficient votes to enable a party to remain in office. In this country we do not want such a policy as that. What we want is a tariff which will protect all industries that are natural to Canada, including agriculture. I believe hon. gentlemen to my left are more inclined to favour a policy of free trade than are other members in this House. But even these hon. gentlemen, I think, would scarcely deny that if the time has come for tariff cutting, the reduction should be upon all lines of manufactured articles to which the tariff at present applies. Otherwise it cannot for a moment be claimed that the policy proposed is a national policy at all. I believe that the farmers generally throughout Canada only want fair play in this matter. They are not asking for anything more than they consider is their just right. Now, agricultural implements are not the only articles that the farmers are interested in. If the tariff is too high we should have a gradual lowering of the duty on all articles. If the tariff is not too high a few industries should not be singled out for sacrifice.

Let me point out that the imposition of duties is not the only form of protection. We hear a great deal about free trade in Great Britain, and the advantages which that country enjoys under such a policy have been depicted from time to time.. The hon. member for Brome (Mr. McMaster) can always quote authorities in support of free trade. Nevertheless I want to point out this very interesting fact, that notwithstanding the advantages of free trade the United Kingdom is suffering far more from unemployment than Canada is. Furthermore, if the conditions in free trade England are so much better than they are in Canada, where we have a policy of moderate protection how is it that so many people have emigrated from Great Britain to this country in the hope of bettering their conditions? We know there are quite a number of former residents of the United Kingdom who are much better off in this country than they would have been had they remained in free trade England. They came to this country and have benefited from a protective tariff, and yet they come down here and tell us that in a country such as this we do not need protection, but that free trade is what we want. As I have already said there are different forms of protection. Great Britain so highly lauded as a free trade country has some of these forms. They may be camouflaged a little but they are protection just the same. In addition there are certain natural advantages which exercise a protective influence for Great Britain. First, she has a splendid isolation which, of itself, is a natural protection. Then she has the protection of the greatest shipping industry in the world, which controls markets in a way which it is impossible for a country such as Canada to do. I know it is said by some that farmers do not profit from a protective tariff in the same ways as those engaged in other industries, and to some extent that is true. Possibly it is true to a greater extent on the prairies than in Ontario or Quebec, but I want to point out that Canada has almost unlimited territory containing perhaps the richest wheat fields in the world, so that the farmer who goes in there has a protection of cheap land such as he cannot get in any other country.

9 p.m.

Reference has been made, from time to time, to the policy of the United States, which, as we all know, has been that of high protection. If we refer to the United States as prosperous under protection we are at once told by those representing the policies of my hon. friends to my left that the United States is the greatest free trade area in the world. If we observe the condition of the farmers in the western states, we have every reason to believe, from reports that we have, that they are not nearly in as favourable position as our own farmers. What then becomes of the "free trade area" argument? Surely hon. members know that our difficulties cannot be solved by a policy of free trade, although in theory it has a very enticing sound. But beautiful as this theory may be, we are living, not on theories, but in a real world and a world of competition, and even though we were all united in the belief that free trade

would be a desirable policy, we must admit that other countries are not practising that, and that to a large extent we are controlled in our policy by the actions of those countries with whom we have to deal. Particularly are we affected by our nearest neighbour, our great competitor, the United States. It is foreign to our very being to reduce this matter to an individual basis and promulgate any such doctrine as that. That is, we would not think for a minute of throwing down the bars, trying to encourage dealings with a neighbour who was absolutely antagonistic to us and who did everything possible to prevent trade. Satisfactory trade relations can come only by mutual goodwill and co-operation. I believe if I were to ask members of this House who sit to my left their personal, private opinions in matters of this kind, as I have sometimes heard them expressed, they would say that when our chief competitor put up the bars against our trade, that was not the time for us to lower ours to their advantage.

From the standpoint of the farmer, let us see what is the Liberal policy as indicated by the budget that has been presented to the House. Before doing that, I wish to refer for just a moment to a quotation read by the hon. member for Springfield (Mr. Hoey) dealing with this question. He quotes, I think, Mr. J. F. Sinclair, who said in part, as follows:

> Business is slowing down. Farmers and live stock men have as a result been ruined by the hundreds of thousands. The disease of Europe has spread to America. The manufacturer will be next to suffer.

And it goes on. I believe we are prepared to admit that after all, what we in Canada are suffering from is not so much a high tariff, but the general economic condition of the world. In a reaction such as that which has come after the war, I believe it is easily understood that farmers will be the first to suffer; but they are not the only ones to suffer, and I think anyone with ordinary powers of observation would say to-day that many other industries are suffering equally as much as the farmers were a year ago and, in some cases, even more so. It has been said that farmers do not profit as much by protection as others, and in part I am ready to admit that; but I want to point out in that connection that the average farmer who operates a small farm, say 100, 150 or 200 acres—I am speaking more particularly of Ontario farmers—does not require a great deal of outside help. When the pinch comes, he is able to adjust himself to conditions in this way: He will have to reorganize to cut down expenditures, but there is still a safe living on which he can depend. The manufacturer is not in quite as favourable a position. When a factory is shut down and men are out of employment, they do not have a living that they can fall back upon. They either become a burden upon the state or emigrate to a foreign country, and that very thing has been going on during the past year. When any of us farmers have an animal that is sick, we try to take proper measures to ensure its recovery; but if we operated in that respect in the same way as the Acting Minister of Finance has in respect to the budget, having regard to the condition of Canada at the present time, when the animal became sick, we would attempt to cure it by knocking it on the head. This is not the time for tariff cutting, for readjustment, for uncertainty. If this country were in a prosperous condition and we felt that the tariff was higher than necessary to effect the purposes for which it was imposed, namely, that of keeping, as far as may be possible, men and capital employed within our own boundaries, then I might say that the time was ripe for making reductions in the tariff, but in a time of difficulty when business is stagnant, when men are out of employment, tariff cutting is the height of folly, because it leads to uncertainty disruption of business and emigration.

The conditions under which farmers are suffering to-day is not that of too high protection on agricultural implements. Let me illustrate that. I do not know exactly how many implements are required on the average farm in the West, but from experience I can say what the amount of reduction, as shown in this budget, of about 50 per cent on the existing tariff would be if applied to implements actually required on an Ontario farm. Such implements, if they were looked after carefully, would have to be renewed about once in ten years. Personally, I believe greater economy than that can be effected. I had a binder made by a reputable Canadian firm which has done a great deal to build up Canadian industry, and this binder was used on a farm on which the average cut was fifty acres per annum. I used it for nineteen years, and it was still in working condition. So that if I place the average at ten years I think I am safe. It would surprise hon. gentlemen to know that by the method this government has adopted for the advantage of farmers of this country the benefit from the tariff reduction will amount to an average of about $2.50 per annum. Does the minister mean to tell me that he will assist agriculture by a sop of $2.50 a year for farming? At the same time

that this is being done we have a duty of 3 cents on eggs coming into this country. If we wish to ship eggs to the country to the south of us we pay 8 cents. Can any one by any stretch of the imagination say that that is a square deal? Conditions are even worse than that, because they have a warmer climate in the country to the south of us, and can produce eggs more cheaply and place them on the market earlier in the season than we can. As a result, we had the spectacle a short time ago of 20 carloads of American eggs being shipped into Toronto by those whose interest it was to control the market, and the price dropped in one week 10 cents Do not get the idea that the 10 cents would re-act entirely to the benefit of the consumer. Not at all. It broke the market to the extent of 10 cents a dozen, and the housewife in the country lost 10 cents on every dozen of eggs she took to the market. The price having been lowered, the eggs will go into storage till next winter when they will reach the consumer at a high price. Because of the break in price due to insufficient protection the farmer and the producer will suffer, and the consumer will not benefit in proportion. If this government were anxious to help the farmer and make a reasonable increase in the duties on eggs, I am free to say that the advantage in one month would be greater to the Ontario farmer than the slight benefit he may hope to get from the reduction of duty on farm implements.

When we base our argument on these figures we assume a reduction in duty means a lowering in price and I think a great mistake is made in always assuming that this is so. I doubt very much if the price of farm implements will be reduced very materially because of the lowering of the duty. I am willing to admit that a reduction in the sales tax may have some slight advantage, but I wish to point out that we heard previous to the last general election volumes of eloquence about the iniquitous sales tax which, in the words of the present Prime Minister (Mr. Mackenzie King), added to the existing visible tariff an invisible tariff in the form of a sales tax. Now the manner in which he altered it was by the increase of 50 per cent to that already iniquitous invisible tariff. That iniquitous tariff has been remodelled once or twice since, and still it is higher than it was when they came into power. If the desire was to assist the agricultural people in this country they might have at least taken off a few of the taxes they themselves have put on.

There is another thing that might have been a great advantage to the farmers of this country, many of whom are being carried at the present time by the banks. If the government had been desirous of assisting the farmer do hon. members not think it would have been some help if they could have cut down a little of the stamp tax? I will refer to the condition of the farmer who is being carried by the financial institutions of the country. Possibly he owes the bank a thousand dollars and has given a note for the indebtedness which he must renew every three months. He has to plaster this with stamps at the rate of 2 cents per $50 and thus pay $1.60 per year or nearly as much as the whole benefit he would reap from the reduction in the duty on agricultural implements. It is even worse than that, because if he pays the money by cheque he has to place stamps on the cheques at the same rate. The result is at the end of the year he has paid an amount for stamps in excess of the reduction on implements. Do hon. members not think it is more in the interests of the farmers of this country that we should attempt to remedy the conditions under which they suffer by some internal arrangement rather than to attempt to remedy these conditions by handing our interests over to the big concerns of the United States?

A great deal has been said about the big interests. I must admit that I do not like to think that I am contributing to the big interests an unfair share of my earnings, but I want to say, if you are going to take that view, that I prefer very much to contribute to the big interests in this country which are taxable and which will help to pay our national debt, rather than to contribute to build up big industries on the other side of the border, which are of no use whatever to us. We have incurred a great debt partly through the building of railroads and industries which we hope will operate for the best interests of our country, but are we going to nullify all our efforts in this direction by building up big interests on the American side of the border?

There are matters which could have been dealt with to the real advantage of the Canadian farmer other than the tariff. I mentioned before the case of the man who was being carried by the bank. It seems to me something might be devised in the form of rural credits more generally adapted to agricultural requirements than that which we have at present. If that could be done, the relief would be far in excess of any relief which could come to us by tariff reductions. Another thing which possibly could be done—but this could only be done by building up

the industries in Canada—is a reduction of transportation costs. It is impossible to hope for the reduction of transportation costs while we send our men out of the country. We might get a little revenue for the railway which carried the men out of the country, but we might better have them here and get a profit on the goods they would manufacture. This is a time when we should consider ourselves as Canadian members of parliament and not as United States senators? What are we here for? For our own country or for our neighbours to the south? I believe Canadian farmers will take that view. We should endeavour to benefit our people by something in the way of internal arrangements and not by concessions to foreign countries. Times of difficulty and times of stagnation are not proper times for tariff tinkering.

Some years ago—and this has been referred to by the previous speaker—there was a reciprocity arrangement made with the United States. It was not ratified but that proposal did have some advantages. There were features perhaps not so desirable. But it did have this advantage that it was an attempt at a fair bargain between the two countries. But what could we say in regard to the budget proposal? This is not a bargain. Out of respect to the Acting Minister of Finance (Mr. Robb) I will not call it a national robbery, but I think I am justified in terming it a national giveaway. When one is engaged in bargaining, I quite understand that one must give something in order to get something, but this is a direct hand-out to another nation. The hon. member for Springfield (Mr. Hoey) quoted from an address recently delivered in this city by Mr. John F. Sinclair, a citizen of the United States, in which he advised the calling of an international conference to settle all trade difficulties. For the sake of argument let us suppose that such a conference actually recommends a general tariff readjustment, then, if we believe that this is likely, let us in the name of all that is sensible maintain our present tariff so that we may have a chance to bargain, otherwise we shall simply be bonusing the industries of the United States.

The right hon. Prime Minister, on whose shoulders the mantle of Laurier has fallen, has desecrated it by shooting holes in the Laurier-Fielding fiscal policy, in an effort to maintain in power a wobbling administration. But as the wearer of that mantle he should follow in the footsteps of his illustrious predecessor and appeal to the country for endorsement of this change of policy, this national giveaway. If he does seek such a verdict I think there can be no doubt that the people will have no hesitation in voting for the retention of a policy adapted to the national requirements of this country and the rejection of the present makeshift budget.

Mr. R. J. WOODS (Dufferin): Mr. Speaker, in opening my remarks I congratulate the Acting Minister of Finance (Mr. Robb) on the concise, clear and very able manner in which he delivered his first budget speech. I also congratulate the government on steering the course which I believe the Liberal compass has been indicating for some time. Possibly they have not sailed as far in the right direction as some of us would wish, but when they steer their course by the compass there appears to be no great danger of immediate shipwreck.

Naturally in this debate we are dealing largely with the tariff question. To my mind the tariff may be considered as a wall, or rather as a network of schedules and of clauses dealing with dumping, drawbacks and so forth; in a word, its purpose is to protect a certain class of our citizens. Now, we have been told by certain hon. members and by the press that last session the representatives of the farmers indulged in a great deal of complaining and whining about the difficulties confronting agriculture in this country, that they were in fact crying blue ruin, which it was claimed was not a very wise proceeding in the national interest. But this session the cry of blue ruin has been taken up by the manufacturers. By circulars, by delegations, and by every other conceivable means our industrialists have been bringing to bear upon the government and upon individual members of this House the greatest possible pressure, pointing out that the Speech from the Throne spelt ruination to the manufacturing interests of the Dominion, and implying that the wheels of industry would stop and the workers be turned out on the streets if any reductions were made in the tariff on manufactured commodities. That has been the cry. An hon. gentleman met me in the corridor after the presentation of the budget, and said, "Ontario has get a terrible blow." I inferred that he was thinking only of the industrial interests of the province. But we must not lose sight of the fact that the manufacturers do not compose the total population of the province of Ontario; our labourers, our retail merchants and our agriculturists form a very large proportion of the population, and their interests must not be overlooked. Is it not true that every section of our people have been hard hit? We can sympathize with the manufacturers; they have had many difficulties to contend with no doubt; but other

classes of the community also deserve our sympathy. Are not the retail business men in our cities, towns and villages passing through very trying times just now? Are the farmers not passing through trying times? I venture to say that they have never had greater difficulty in making ends meet and keeping things going than they are having at present. But so far as I can learn the farmers are not threatening to desert their farms, to pull up stakes and leave, to turn their boys and girls out to rustle for themselves or to send adrift the farm labour that they have engaged. I believe that the farmers, notwithstanding the strenuous times through which they are passing, are going to carry on and try to make the best of it, are going to produce as they have done in the past and work for the best interests of this country until conditions are readjusted and we get back to a better footing. And if we have to take our medicine in passing through these hard times, why should not the industrial classes take a share of the same medicine?

I am going to quote a few figures taken from the 1921 census returns which will give hon. gentlemen some idea of the relative standing of the industrial and agricultural portions of this country. In 1921 there were 711,090 occupied farms in Canada, ranging in size from one acre to upwards of 200 acres; I do not know how far in excess of 200 acres the larger ones would range. I will give the figures of the number of farms of different sizes up to 200 acres:

No. of Acres	No. of Farms
1 to 4	21,503
5 to 10	22,555
11 to 50	82,713
51 to 100	158,292
101 to 200	229,648
201 and upwards	196,379

So you see by these figures that the greater number are large farms. These farms represent a total invested capital, including the value of the land, buildings, equipment and stock, of $6,586,648,126, and that means that the average farmer in Canada is worth approximately—the value does not quite reach that figure—$10,000. The farmers, therefore, are not so exceedingly wealthy as some people try to make us believe. I have heard persons who have driven through the country say, "Look at the fine buildings, look at the surroundings; the farmers are immensely rich". Especially was this said some years ago, at the close of the war, but as I have pointed out, the census of 1921 shows that, taking into account total capital value of land, buildings, equipment and stock, the average farmer in Canada is worth only $10,000.

Now let us look for a moment at the industrial classes and see what similar figures show in regard to that. The statistics of the same census indicate that in Canada there are 41,323 manufacturing industries. These are made up of a great many different industrial activities, and in order that we may have the matter clearly in our minds and also have them on record I will give the list of industries which go to make up that total figure:

Flour and grist mill products.
Slaughtering and meat-packing.
Pulp and paper.
Saw, lath and shingle mills.
Butter and cheese.
House building and construction.
Electric light and power.
Sugar, refined.
Automobiles and motor trucks.
Cotton yarn and cloth.
Rolling mills and steel furnaces.
Printing and publishing.
Tobacco, cigars and cigarettes.
Petroleum, refined.
Bread and other bakery products.
Biscuits and confectionery.
Boots and shoes (leather).
Electrical apparatus and supplies.
Clothing, men's factory.
Foundries and machine shop products.
Steam railway cars.
Agricultural implements.
Hosiery and knit goods.
Clothing, women's factory.
Woodworking, sash and door factories.
Printing and bookbinding.
Breweries.
Plumbing and tinsmithing.
Sheet metal products.
Rubber goods.
Furniture and upholstering.
Leather tanneries.
Industrial machinery.
Shipbuilding and repairs.
Fish curing and packing.
Gas, lighting and heating.
Automobile repairs.
Paints and varnishes.
Furnishing goods, men's.
Heating and ventilating appliances.

Those are the lines of industry listed, comprising altogether 41,323 established in this Dominion. The capital invested in those industries is $3,210,709,288, according to the census report of 1921. That figures out at approximately $78,000 capital for each industry, showing the difference between the wealth of our industrial enterprises and the wealth of the agricultural industries of this Dominion.

Let us now take the income tax figures, which will indicate very clearly the degree of prosperity these industries enjoy and the amount of money they get from their investments, for if we have not the income we cannot pay the income tax. In the four years from 1920 to 1923 inclusive, the manufacturers

paid $14,111,979 in income tax, and the farmers $2,909,724, a difference in favour of the manufacturers of $11,202,255. That to my mind is a very clear indication of the comparative prosperity of our industrial and agricultural industries.

I wish to quote a clause from a little pamphlet published by the committee representing the agricultural implement industry of this Dominion:

> Through the energy of their executives and their salesmen, and through the high standard of their implements, Canadian manufacturers have built up a great export trade. Canadian implements are a familiar sight on the farms of every important country in the world.

Note the sentence which follows:

> The beginnings of this export trade were laid when the tariff was at 35 per cent, which gave the Canadian manufacturers the firm foundation of an assured home market from which to operate in their struggles to secure trade abroad.

Now if I understand that aright, it is capable of no other interpretation than that the farmers of this Dominion have been unduly taxed through the customs tariff in order that the manufacturers might build up large industries and sell their goods on foreign markets in competition with the manufacturing industries of the world. That is the meaning; that the manufacturers have been enabled to raise the price of their goods to the consumers in Canada and at the expense of our agriculturists accumulate wealth and build up a large export trade selling their goods in foreign markets in competition with the large manufacturing industries of other nations.

I wish to make a reference to the textile companies. We have heard a great deal about them since this session began. We have been flooded with a lot of literature. they have been trying to influence us by telling us they were in a very precarious position, that many of their mills had to close down, and that unless some remedy was provided through the preferential tariff a lot of these textile companies would have to go out of business. In that connection I wish to quote from an article that appeared in the Toronto Financial Post of February 29, 1924. It is referring to the success of Penman's Textile Company and says:

> The company's sales increased during the year by a moderate amount and made possible an increase in profits that more than justified the payment of a common stock bonus of 2 per cent above the regular dividend of 8 per cent.

There is one at all events of the textile companies that has made a success. I wish now to quote the latest available figures that I could obtain from the Bureau of Statistics.

They show that in the year 1922, the textile companies in their knitted and cloth departments increased their number of employees by nearly four thousand. That does not indicate that these textile companies are in such a serious condition as they would make us believe. Some of them may be going out of business, but where is there an industry in this country of which the same thing cannot be said. Take the retail merchant, the farmer, and those engaged in other occupations, numbers of them are being forced out of business from time to time and—let me ask it again—why should these particular industries not be willing to take their medicine along with other lines of business?

As to the fiscal policy, the government have advanced in the direction of reduced taxation in the interests of the agriculturists of Canada. But the compass is still pointing forward, and I believe that the great consuming masses of the people will not be satisfied until the ship of state pushes considerably further in the same course. There should be further relief in the customs duties on boots and shoes, on clothing, and on other necessaries of life. We appreciate what we are getting and we feel confident that it is impossible to revolutionize the fiscal policy of this country at one stroke. We know that, and we are content to rest for the moment at the state which has been reached. But we are looking for more, and we want the government not to remain satisfied with the progress they have made. We want them to press on to a far greater reduction in the customs taxation and the other taxation of this country as conditions may warrant. I want to repeat that the government have diagnosed the economic condition of Canada and they are prescribing the remedy. The doses they are administering are not, perhaps, as large as the patient can stand, but the treatment, if continued, will eventually prove a remedy for the malady from which the country is suffering.

I should like for a few minutes to try and analyze the policy of hon. gentlemen to my right. They tell us that we must have greater protection. In an editorial in the Mail and Empire, which is the favourite organ of the Conservative party, of about the 8th April, last, reference was made to the necessity of increasing the customs taxation and at the same time lowering the sales tax. So the prescription advocated by the Conservative party is higher customs duties. That is in line with the policy of that party for a great number of years past. Well, what has that policy accomplished? Seeing that it has been

in force since 1878 if it is of any practical value at all it should have accomplished something.

Now, the constituency that I have the honour to represent was practically, until a few years ago, Conservative to the core, and I personally know something about the working of the Conservative party in past years in the county I now have the honour to represent. But during all these years what has the policy of protection accomplished? We live in a country whose climate cannot be excelled, well adapted for a virile race of people, splendidly endowed with natural resources, possessing agricultural lands that are unequalled elsewhere on the face of the globe. A protective policy was in force when Conservatives occupied the treasury benches, and it was in force when Liberals administered the government. During all this time we have had what I term a high protective policy; I cannot see it in any other light than a policy that has protected the special classes of this Dominion. But that policy having been in force for over forty years, I cannot see anything it has accomplished. As many people formerly left the country as are quitting it to-day; there have been in the past times equally as strenuous as we are going through to-day; but the policy of protection has failed to build up this country in the way it should have been built up considering Canada's unexcelled natural advantages and resources. We are told that the great thing is to restore our prosperity. But why did the prosperity collapse seeing that the policy which we are now told is going to restore prosperity, was in force for so many years? If protection is needed to restore prosperity why did that policy not keep prosperity during the forty years of its operation?

It is said that we are in the midst of a readjustment period following the events of the Great War. That is true. We are told that there is difficulty in readjustment; that it will take some time to readjust everything as it ought to be readjusted. But let us leave the war period and go back prior to the war. What prosperity could we reasonably boast of prior to 1914? I refer particularly to the agriculturists of this country. I am prepared to admit frankly that, during the period of the war, the agriculturists of Canada made a little money, but it was at the sacrifice of blood. If a little money was made and if more money was in circulation, we deplore the fact that it was co-incident with the sacrifice of the young men from the farms, towns and cities of Canada who laid down their lives on the battlefield. I think those figures that I quoted to-night, taken from the census of 1921, are possibly just as high or a little higher than they would have been had the census been taken in 1914, that is, probably an average of $10,000 for the total value of every occupied farm of this Dominion. Was that great prosperity? To my mind, there was nothing to be elated over. It is true the farmers struggled; they worked from daylight until dark; they worked holidays and every day. Many of them took scarcely a holiday. While driving along the roadway, you would see nice-looking houses and fine barns; but if you investigated, how many Canadian farms would you find with city conveniences? You would find that the housewife has to take her pail and walk to a well in the barnyard or some other place in order to get a pail of water. The farmers have to contend with outdoor conditions in storm as well as sunshine, and I venture to predict, although I do not know the facts, that not two per cent of the farmers of Canada have on their farms conveniences such as the people have in the cities, and as we enjoy when we have the privilege of spending a little while in this city. We do not by any means begrudge the people in the cities or towns their conveniences, but the nice-looking houses and fine barns are no indication of prosperity on the part of the farmers who work hard, toil early and late and seldom take a holiday. I know farmers who live not a hundred miles from the city of Toronto, who have never attended the national exhibition there. Why? Because they are interested in their home, their children and in making things as comfortable, convenient and happy as they can for their families. Because of that, they fail to spend the money or to take the time to attend many of those events that they would enjoy and be glad to attend if their financial condition would warrant their doing so.

Let us go back to the war period again and refer to the attitude of the government of that day. Those are the hon. gentlemen who are telling us that this country will return to prosperity if their policy is adopted and they are given the privilege of handling the fiscal policy of Canada. In those years, as I stated before, we had a free circulation of money, and while the farmers made a little money, every other class made money. Many manufacturers built themselves up to be millionaires while the war went on. Money was in circulation abundantly. The labouring classes had plenty of money. While our boys were fighting overseas at $1.10 a day, foreign workers manning our munition factories and so forth were making money, getting rich, re-

ceiving from ten to possibly twenty dollars a day. What were the government of that day doing? When there was an abundance of money in circulation, the government of that day fell down in failing to pay off a great portion of the war debt instead of saddling the enormous debt of the war upon the government which now occupies the treasury benches and the people of this Dominion. The government of that day fell down, and yet they are the men who are telling us that they will restore prosperity and good times and that everybody will be happy, if they are again permitted to occupy the treasury benches and to put into force the fiscal policy as they had it in the past.

I come to another reference that I saw in the Mail and Empire. Sometimes when I quote things from memory, I make a mistake. I have this extract here and I am going to read it so that there will be no mistake. This is the Mail and Empire, the official organ of the Conservative party, and it reports an address delivered by the right hon. leader of the opposition (Mr. Meighen) in the city of Windsor. I am going to read this paragraph from it. He went on to say:

> I would make a treaty with Britain on just the same basis as others. I do not believe in showing loyalty by giving industrial concessions unless you get something in return.

What does that mean? I do not know if the leader of the opposition could give any other explanation or not, but the only meaning I can get out of it is that he would abolish the preferential tariff to Great Britain; that he would deal with other nations in exactly the same way as with Britain. That would be doing away with the preferential tariff and putting the British nation on exactly the same fiscal terms as other foreign nations the world over. That is the way I look at it, and I cannot arrive at any other understanding, so far as my limited knowledge goes. Now I want to compare that with the utterances of those hon. gentlemen in the campaign of 1911, where the real issue was camouflaged—at least, I am going to assert that it was camouflaged in the part of the country where I live and possibly all over Canada. In that campaign it was stated to the people "If you adopt the reciprocity treaty you are going to be swallowed up by the United States of America; the treaty spells annexation and it savours of disloyalty to the British nation." They quoted Champ Clark of the United States as saying that it meant the parting of the ways. That is what was coming to us in 1911, and the same gentlemen who in 1911 waved the Union Jack, cried loyalty, and trembled at the knees for fear of annexation, now draw right back, hit out from the shoulder and say "Britain, we will deal with you the same as any other foreign nation." My attitude from youth up has been that I will take second place to no man in the Dominion of Canada for loyalty to Great Britain; but I condemn most emphatically any man or body of men, any political organization or other organization that will take the Union Jack in a campaign and make a political football out of it. I think in the first speech I made in this House I said I was not here to play politics, not here to do or to undo any political party, nor to oppose any government for the sake of making opposition. I am not here to support any government nor any party simply for the sake of supporting that political party; but I am standing here solidly on the foundation of true principle and will support any party or government that will enact legislation in this country that will be, in my opinion, of the greatest benefit to the greatest number, and I would oppose any government or any party that legislates to build up a favoured few at the expense of the masses of the consuming public of Canada.

Mr. R. K. ANDERSON (Halton): I understand that the government has no followers who are ready or perhaps willing to support the proposal made in the budget; and it is left to the members of the opposition to continue the discussion. The Acting Minister of Finance (Mr. Robb) is new to the office which he holds, otherwise I do not think he would have introduced the budget which he presented last Thursday. It is a budget, Mr. Speaker, that has brought dismay to the minds of the people of this country. It was so prominently heralded in the Speech from the Throne, much to the delight of hon. members to my left, and it fulfilled its worst expectations. Not since confederation has there been a budget which has created so much dismay and consternation in all parts of the country, particularly amongst the industrial and also the agricultural classes. It is a budget which has been actuated more by expediency than by the exigency of the national situation, a budget that is scarcely intended to assist the national affairs of the country, but rather to assist the government in carrying on in the House and in office, a budget which is intended to purchase—and I use the word "purchase" advisedly—the support of hon. members to my left. I think that is its main purpose. Had the reciprocity pact of 1911 been consummated by the government and announced in the Speech, it would not have created greater consternation than the

present budget throughout the country to-day. The people of Canada spoke emphatically against the reciprocity pact, and I prophesy that they will speak just as emphatically against the policy indicated in the budget when they get the opportunity.

The reductions in the tariff announced on Thursday are not so sweeping in themselves, but it is the menace for the future that alarms people. This is the second instalment of the Progressive policy of free trade introduced by the present government. I am constrained to believe that those reductions would not have been propounded by the hon. Acting Minister of Finance (Mr. Robb) if he had had his own way, and I am quite satisfied that if the Minister of Finance himself had been in the House such a budget would not have been introduced. The Finance Minister is the pilot who has been thrown overboard, so eloquently referred to by the hon. member for Brantford (Mr. Raymond) in his speech on the Address, and with him has been thrown overboard his promise of last year that there would be stability—stability which is so badly needed at the present time, which industry needs and must have before it will be able to take its proper place again. After thinking over our protective policy for the last twenty-eight years, the Liberal party has finally decided to leave the harbour of protection and sail for the open sea of free trade. Fortunately the issue is now clear cut, for the Liberal party have stepped off the platform of protection, a platform which has always belonged to the Conservative party.

The hon. gentleman who has just taken his seat (Mr. Woods) wants to know what protection has done for the Dominion since the inception of the National Policy in 1878. Well, if that policy has not done anything for us, what policy has? Our industrial development during the past forty years has been due to the National Policy, which was inaugurated by the Conservative party, and was never departed from by the Liberal party until to-day. Indeed, what we in this quarter of the House are complaining of is that the tariff policy which has served the country so well is now being interfered with. Had it been such a poor policy as some hon. members would have us believe, it would have been eradicated from the statutes many years ago. But it is there yet, and probably will remain in spite of the reductions introduced by the present budget.

The hon. gentleman seemed to be dissatisfied with the growth of the country. From 1911 to 1921 Canada had a greater per cent increase of population than any other country in the world. Surely that is not a bad showing. To-day our percentage of growth is, in proportion, equal to the rate of growth of the United States a hundred years ago; they are about that far ahead of us. As to the prosperity of our farmers, my observations would lead me to believe that they are just as prosperous to-day as they have been at any time, even under Liberal rule. The Minister of the Interior (Mr. Stewart) had a good deal to say about the prosperity of the Dominion from 1896 to 1911. Well, that prosperity was enjoyed under the National Policy. I remember the former hon. member for Red Deer—Mr. Clark—stating in this House that during their fifteen years in office the Liberal party had reduced the protective duties by seventy-nine hundredths of one per cent! Not very much of a reduction. But they are making a reduction to-day—a reduction which I believe will not be in the interests of the country, indeed, will be absolutely detrimental not only to the industrialists but to the farmers themselves. Anything that tends to destroy the home market is certainly not in the best interests of our agriculturists. Our farmers—including those of the West—sell something like 80 per cent of their produce in the home market. By doing away with some of our industries the population of our cities naturally will be adversely affected, and consequently our farmers will have to seek the foreign market for the disposal of more of their products. There is no market like the home market, for it is close at hand and the best prices are obtained there.

Since the withdrawal of those in the cabinet who overshadowed him the right hon. Prime Minister is more the leader of his party than at any time since he took office. Therefore he has been able the better to control his followers and to lend a more attentive ear to the advice he receives from the Progressives to my left. Since the opening of this session—and probably it existed last session—there has been a sort of underground coalition between the Liberal and Progressive parties. The right hon. Prime Minister has in fact capitulated to the Progressive group, and I notice with a great deal of amusement that since the opening of the session he has been received by the leader of the Progressives with a sort of conquering smile —a "smile that won't come off."

Canadian industry was stunned by the ill-timed announcement in the Speech from the Throne of tariff reductions on the implements of production; to-day our manufacturing business is practically paralyzed by the budget. I can scarcely reconcile the budget with the statements which appeared in the press a week ago of what the government

said to the delegations of interested industries that came to Ottawa. Those delegations were positively assured that no tariff reductions would take place. It was also stated that the country had looked upon the announcement in the Speech from the Throne too seriously, and that it was not intended by the government to reduce the tariff. Yet to-day we find the very worst fears of the people have been realized. No revival of trade can be expected under present conditions, particularly when the gun of the free trader is pointed at the very heart of capital. Under such circumstances capital will go into hiding; it cannot do anything else. No capitalist is likely to start an industry at the present time when he does not know how long our tariff duties are to be maintained. If they are to be tinkered with every year, reduced a bit here and a bit there, a sales tax put on one article and left off another, no capitalist will invest in industrial enterprises, consequently industry will stagnate and unemployment will increase throughout the country.

I cannot see how those interests which expect to be benefited by these tariff reductions can receive any assistance whatever. Our economic ills cannot be cured by pulling down the tariff wall which protects them, especially when all other countries have adopted a high protection policy. Under the circumstances it is simply a suicidal policy to move towards free trade when our neighbours are still further raising their already high protective wall. Such a policy will not assist our manufacturers and farmers to get into the markets of the United States; on the contrary, while we languish our neighbours will invade our markets and profit at our expense.

The annual budget, Mr. Speaker, is always awaited with a great deal of interest, for it deals with the taxation necessary to keep the machinery of government running. It is a huge proposition to gather revenue from a population of only nine million people scattered over such a vast area. With our country stretching from ocean to ocean, with many miles of wilderness separating different sections, we have to carry a burden of government machinery which would easily suffice for more than three times our population were it all in one compact homogeneous mass.

We require probably five times the transportation facilities on account of the long distances lying between the different parts of our sparsely settled territory. If our nine millions were congregated say in Ontario or Quebec we could do with very much less government and would incur very much less expense. It is hardly fair to compare our expenditure with that of other countries of less extent and greater population, and it is even hardly fair to compare it with that of the United States, which has a similar extent of territory and a very much larger population. The expense of government does not increase in proportion to increase in population, consequently our per capita expenses of government are necessarily larger than those of other more thickly settled countries. It is easy to criticize but not quite so easy to offer a remedy, and that is one of the things that the citizens of this country should consider when they have a tendency to criticize too severely the expenditure of government.

We have a huge debt, amounting to $2,453,000,000, or $260 per capita, but we have great natural resources to compensate us for that debt. We must remember that the great bulk of the debt was incurred in the defence o fthe country. The Great War was a war of conquest by Germany and defeat would have meant confiscation of our property, or, if not confiscation, very heavy imposts in favour of the victor, so that we look upon this $2,453,000,000 as not too much of a price to pay for our national liberty. As to the amount paid to our railways, that also is a capital investment which, with careful management, will some day yield a return: these are the principal items which have increased our public debt so tremendously since 1914. In 1914 our debt was something like $335,000,000. There is a big difference between $335,000,000 and $2,453,000,000. We have invested in our railways something over $900,000,000 of the peoples' money—I mean through the government channels; the total investment in the roads is very much more than that,—and we are investing more each year in rolling stock and branch lines in an effort to provide efficient transport service for the people. Competition with the Canadian Pacific should not be the object of making these roads efficient, because both roads are needed and should be sustained. Our great object should be to make the Canadian National Railways efficient for the needs of the people in the sections which they serve; I am opposed to any encroachment upon the sections adequately served by the Canadian Pacific.

In view of our large debt, Mr. Speaker, it behooves us to retrench, and that applies not only to the Dominion government but to all provincial governments as well. There has been a spending orgy in this country ever since the war and individuals as well as governments, municipal, provincial and Dominion, have been responsible for it. The time has

arrived when we should retrench and when our budget should more than balance: not only should we pay our running expenses but we should have a surplus each year to apply to the reduction of the debt and thus to the lessening of the heavy interest charges which take such a large part of our annual income. Our interest payments last year were $137,892,000, or $10,000,000 in excess of our total expenditure for all purposes in 1914. Our interest charges in 1914 were $12,893,000, so that $125,000,000 of the annual interest charge is due to the war and to our national railways. The National railways may be regarded as a sort of war casualty, because the government were compelled to take them over in the national interest. Pensions, which in 1914 amounted to $311,900 had increased in 1923 to $32,985,000, an increase of $32,674,000 directly due to our war effort. This expenditure will of course continue for two or three generations in varying amount, but it is a just claim on the bounty of the government. Our soldier land settlement in 1923-24 cost $12,000,000 and soldiers' civil re-establishment cost $15,573,000, making in all $21,262,000 which must be added to our direct war expenditure. This amount will decrease year by year as the Great War recedes into history, but so long as there is the slightest need this expenditure must be retained in order that the returned soldiers may receive every consideration at the hands of the country. These amounts make quite a large demand on the annual revenue, something like $199,250,000 over what was needed in pre-war years. Taking this amount from the expenditure of 1923—and these figures are for 1923—as constituted in the consolidated fund, $332,293,000 we have left a balance of $132,689,000 for governmental purposes on the basis of pre-war expenditure.

The government has been speaking during this session about economy, and I am glad to see that they are beginning to practise economy, or at least to say that they are. Let us see how far the government have gone in this direction. Economy is a vital necessity; the time has arrived when we should make our revenue more than pay our expenditure. Let us compare our current expenditure, chargeable to the consolidated fund account, with what it was before the war so that we may see how near we are getting to pre-war conditions. We will eliminate such charges as interest on public debt, war pensions, soldiers' civil re-establishment, land settlement—in other words expenditures due to the war—in order to see how our expenditure compares with that of 1914, at the beginning of the war. I think that is a reasonable way to compare our annual operations of government. We find that the expenditures have been as follows: In 1914 our total expenditure was $127,384,000; eliminating pensions, $311,000, and interest on debt, $12,893,000, a total of $13,204,000, we have a balance left of $114,180,000. That is, taking out what I am going to eliminate from the figures of subsequent years, namely, expenditure on the public debt and the amount paid for pensions. During the year ending March 31st, 1922, the expenditure for interest, pensions, land settlement and soldiers' civil re-establishment amounted to $222,633,000 If you take that from the total expenditure of that year, approximately $347,560,000, it leaves $124,827,000, compared with what it was in 1914, $114,180,000. So that in the year 1922 the expenditure was only $10,647,000 in excess of the expenditure on the same basis in 1914. In 1923 the amount spent on these four items was $199,604,000. Taking that from the total expenditure of that year, $332,293,000, you have a balance of $132,689,000, and deducting from that the amount spent in 1914 you have an amount of $18,709,000 in excess of the expenditure in 1914. In 1924 the amount spent on these four items was $190,369,000; taking that from the $328,250,000 of total expenditure in that year you have a balance of $137,881,000, leaving an excess over the expenditure of 1914 of $23,701,000. That places the expenditure of those three years on the same basis as that of the years previous to the war. You will therefore see that the present government has not advanced very far in the direction of economy over any other year. In fact, there was a smaller amount in excess of the expenditure in 1922, than in 1923 and 1924 over 1914.

Coming to the surplus which the Acting Minister of Finance shows, of $67,000,000 or thereabouts, on consolidated fund account, if we compare that with the figures for other years we find that this is not the first year we have had a surplus, although it was fairly prominently featured in the budget speech that this was the first year our revenue and expenditure had balanced, or more than balanced. According to the Public Accounts I find that in 1916 there was a surplus, in round figures of $41,979,000; 1917, $101,000,000; 1918, $40,463,900; 1919, $80,215,000; 1920, $45,902,000; 1921, $73,268,000; 1922, $34,391,000; 1923, $62,321,000. Those are the surpluses for those years on consolidated fund account, in each of which the revenue exceeded the expenditure; so this is not the first year we have had a surplus.

Coming now to the trade of Canada, of course our trade is increasing, and it has in-

creased very markedly during the last ten years. The war gave it a great impetus, and the increase has kept up since that time. I will give just a few percentages with regard to our trade with the British Empire and the United States. In 1924, 26 per cent of the total trade of Canada went to the British Empire, and 52 per cent to the United States; in 1923, 35 per cent to the British Empire, and 51 per cent to the United States; 1922, 33 per cent went to the British Empire, and 54 per cent to the United States; 1921, 27 per cent to the British Empire, and 57 per cent to the United States. You will notice that the amount going to the United States has decreased somewhat, and the amount going to the British Empire has increased: we are gradually beginning to send our trade across the ocean.

As regards imports, the percentages of imports from the British Empire and from the United States relatively to the total imports wese as follows:

Imports from the British Empire and the United States

Year	British Empire per cent	United States per cent
1921..	21.45	69.4
1922..	19.94	68.6
1923..	22.3	67.3
1924..	17.5	68.5

In 1924 our imports from the United Kingdom were less than at any other time since 1921 and our imports from the United States were slightly larger.

I will give the export figures. Of our total exports the percentages going to Great Britain and the United States were as follows:

Exports to the British Empire and the United States

Year	British Empire per cent	United States per cent
1921..	33.77	43.38
1922..	46.7	39.1
1923..	47.3	39.7
1924..	34.1	40.8

We have gradually been increasing our exports to the British Empire, but in 1924 those exports fell off as was the case also with our exports to the United States; but there was quite a large increase in our exports to the other countries of the world, 25.1 per cent of our total exports going to foreign countries.

If you take dutiable and free goods for the twelve months ending February, 1922, 1923 and 1924, we find that dutiable goods entered for consumption into Canada amounted to $512,533,000; free goods, $248,492,000. The amount of duty on all dutiable goods collected in 1921-1922 was 23.6 per cent, while on all imports the percentage of duty amounted to 15.9; 1923, the duty collected on dutiable goods amounted to 25.7 per cent, or a little over 2 per cent higher than for the previous year, while the percentage of duty collected on all imports was 16.3 per cent, a slight rise in the duty; 1924, the duty collected on all dutiable goods was 23 per cent, and on all imports 15.3 per cent. You will see from these figures that the duty tax collected by both governments, Conservative and Liberal, has been very similar; in fact, it has been almost unchanged up to the present day. The year 1923 shows an increase over 1922, of 2.1 per cent, and 1924 shows a decrease over 1922 of .6 per cent on dutiable goods, while on all imports 1923 shows an increase over 1922 of .4 per cent, and 1924 shows a decrease of .7 per cent over 1922.

Of our exports of agricultural and animal products for 1923-1924, 74 per cent went to the United Kingdom and the United States, and 26 per cent to the rest of the world; 54.6 per cent of these goods going to the United Kingdom and 19.4 per cent to the United States, showing that England is the country which takes the greater proportion of our agricultural products, a great deal more than the United States. I cannot quite understand why hon. gentlemen to my left want to trade so much with the United States, which does not take anything like the same amount of farm products from us that the United Kingdom does. It is our duty and in the best interests of the farmer to cultivate our trade with the United Kingdom.

We imported from the United Kingdom in 1923-1924 goods amounting to $155,000,000 and exported to the United Kingdom $355,000,000, leaving a favourable trade balance of something like $200,000,000

An examination of these returns for the above years shows that 54.6 per cent of our agricultural exports were sold in the English market, while only 19.4 per cent went to the United States, and 26 per cent to other countries. The United States is our poorest customer and our greatest competitor in farm products. In 1923 we exported 166¾ million bushels of wheat to the United Kingdom and only 16 million bushels to the United States, or ten times as much to the former; of flour in 1923 we exported 4¾ million barrels to the United Kingdom and 612,000 to the United States, or eight times as much to the United Kingdom as we sent to the United States; oats, 20¾ million bushels went to the United Kingdom and 842,000 bushels to the United States; or twenty-five times as much to the United Kingdom as to the United States; of barley we sent 13¾ million bushels to the

United Kingdom. For the same year, 1923, we exported 20 million pounds of cheese to the United Kingdom and about the same quantity to the United States, 22 million pounds; butter 17,500 pounds; eggs 3,158,000 dozen. On the other hand we imported from the United States something like 140,000 dozen eggs and 5,500,000 pounds of butter. If the tariff wall between this country and the United States were taken down the Americans would flood this country with the produce of farm and factory to the detriment, if not to the extinction of similar industries in Canada. We have a standing offer of reciprocity in natural products at the present time from this government, but so far the offer has been treated with disdain. The only reply given by the United States is to raise their duties on many articles we raise, particularly the one commodity produced by the prairies, wheat, to a prohibitive height. That does not look very much like a reciprocal spirit on their part. I think their duty at the present time on wheat is 42 cents a bushel, on mill feed 22½ per cent ad valorem, and $1.12 per hundred weight on flour. That does not look very much as if the United States were ready to trade with Canada on a reciprocal basis. It is a direct slap in the face, you may say, to this government for the reciprocity resolution of last year. I cannot see any reason for going on with such a policy, or holding out a proposition of that kind to the United States. The United States does not want Canadian wheat. If they did they would not put on such an import duty against it. That duty of 42 cents on wheat says so emphatically, but just the same they would like our market for their surplus foods in Canada.

An examination of the trade returns for 1924 discloses that we imported from the United States $603,709,000 worth of goods and exported to that country $420,148,000 worth, leaving an adverse balance of $177,580,000 against Canada, resulting in the Canadian dollar being at a discount of 2 per cent on exchange—9 millions of people purchasing $177,000,000 of goods more from 110 millions of people than they are willing to purchase. Putting it on a per capita basis we spend in the United States $67 per capita while they reciprocate to the extent of $3.82 per capita. Talk about reciprocity with a people so self-centred as that.

Examine our trade with the United States on farm and garden produce. Of fresh vegetables in 1923-24, largely potatoes and tomatoes, our imports were $3,051,000 from the United States while they bought from us $1,025,000. Fresh fruit imports, largely apples, pears, plums, grapes, berries, from the same source amounted to 53,388,000 pounds, valued at $4,500,000, while they bought from us fruit to the amount of $691,000. These two classes of products left us an adverse trade balance of $5,796,000. This amount if spent in Canada would make up the difference between success and failure of our fruit farming industry. We import annually over $100,000,000 worth of American agricultural, vegetable and animal products, and in 1923-24 it amounted to $113,000,000. This is a demand which can be supplied by our own farmers. Give our farmers greater protection from United States competition, particularly since their tariff wall is so high on these classes of product, and this money will stay in Canada to improve the home market to the benefit of all.

Our coal bill to the United States in 1923-24 amounted to $89,250,000, and these two items alone would balance our trade returns with that country. It is our duty to make an effort to rectify this unfavourable trade balance by reducing our imports from the United States. This can easily be done by stimulating our coal production and putting a higher import duty on the products of the farm.

The sales tax, Mr. Speaker, has received a good deal of attention since the government increased the amount to 6 per cent. The present unsatisfactory conditions in regard to the sales tax have been largely due to the inefficiency and vacillating methods of the present government. The sales tax provided for in the last budget was to come into effect in January this year. But the government, or the Department of Customs and Excise, could not arrange regulations as to how the sales tax should be applied. They made two or three attempts without meeting any degree of success. As first introduced, I think, it was not to be shown on the invoice; it was to be absorbed or hidden in the price of the article. That announcement came so late that it caused a good deal of distress and dissatisfaction throughout the manufacturing industry. Some of these industries had finished their price list for the coming year, had sent out their travellers on the road, and did not want to change that price list. On the other hand there was quite a demand for the government to make a change so that the sales tax should be shown on the invoice. The government adopted the change and required it to be shown on the invoice. Immediately those firms that had got out their price lists in which the tax was hidden in the price of the article set up an outcry and the government came back and agreed to another change. They said it might be optional, and that is the course which has been followed up to the present

time. The government, seeing their mistake, came forward this session and reduced the tax to 5 per cent. They also provided for taking it off many articles altogether, and on other articles making it 2½ per cent. It was amusing to hear the Finance Minister last session talk about his desire to reduce the cost of living, and then impose a sales tax greater than had ever been seen before. The sales tax is a home tax. It must be paid by the Canadian people, there is nobody else to pay it. It was almost immediately shown in the increased price of the article —it could have no other effect.

11 p.m.

There may be some question as to who pays an import duty. But there is no question as to who pays the sales tax; it is always added to the price unless it is absorbed by the manufacturer himself. The sales tax —and I am not objecting to it; if amounts of money are to be raised it is certainly a good way of raising revenue—has provided the government with large revenue. The revenue from sales tax in 1921-22 amounted to $56,325,000. In 1922-23 it yielded $81,428,000; and in 1923-24, $94,911,000. That is a peculiar way to reduce the cost of living, to increase a direct tax so that it shall yield $94,000,000 of revenue. The government increased this tax twice. In 1922-23 it was increased by 50 per cent over 1921-22. In 1923 the government raised the tax to 6 per cent. If the government reduces that tax now, it is simply a case of lowering a tax they put on themselves.

The tariff reductions will not afford any particular relief to the average farmer. As mentioned by my hon. friend from East Elgin (Mr. Stansell) the reductions are so small that they would not be recognized by the average farmer in his annual statement of receipts and expenditure—they would hardly be known.

There is one feature of the budget to which I want to draw the particular attention of the government. The Acting Minister of Finance said with respect to materials for agricultural implements:

> Materials which enter into the cost of the aforementioned items and other implements on which the duty is to be reduced will be entitled to entry at 7½ per cent under all tariffs.

That, if one read it over carelessly might not be considered as much; but when you come to take into account the number of industries affected, that would make quite a reduction in the tariff protection which they enjoy. Those industries manufacture the materials that go into the manufacture of all things in connection with agricultural implements, mining implements and so forth. That reduction will cause a reduction of duties on quite a large number of articles such as screw nails, nails, bolts, nuts, malleable iron, steel and so on, and there are in the country quite a number of those industries which will be very injuriously affected by that reduction to 7½ per cent in the tariff. I do not think the government has any idea yet how many industries will be affected by that one reduction. There will certainly be quite a large number, and as time goes on, the government will be hearing more about the matter.

The sales tax has been removed from milk products and milk foods. If I am not mistaken, milk foods are already exempted from the sales tax. The woollen industry will get very little benefit from the reduction in the sales tax because at the present time it is not subject to the sales tax. The reduction in the sales tax will, therefore, be of little benefit in connection with these industries.

I want to call the attention of the House to a few more points in regard to the present government. During the time that they have been in office, they have introduced a good deal of legislation, legislation that has not been very beneficial to the country, legislation that they have made practically to suit themselves. I might call them conspicuous failures in legislation. There was the wheat board legislation of 1922. I think my hon. friends to my left will say that that was a complete fiasco. It did not give any relief whatever as regards the marketing of wheat and it is a dead letter at the present time.

Legislation passed a year ago in regard to the control of freight rates on the Great Lakes was a costly failure, and it gave no relief whatever to the wheat farmers of the West. It had to be declared inoperative by the Governor-in-Council in order to save the situation.

The Halibut treaty with the United States was another matter that failed to go through. The Minister of Marine and Fisheries (Mr. Lapointe) signed that treaty without the signature of the British Ambassador, and the United States refused to ratify the treaty.

The attempt made by the present Acting Minister of Finance (Mr. Robb) to bring about reciprocity with Australia was also a failure. The correspondence and the visit of the minister to Australia resulted in nothing.

The attempt to bring about a reciprocity pact with the United States has been a failure.

The treaty with France was largely a padded document. There were in it a number of things that were not exported by Can-

ada; it gave no benefit to this country, and it will be of no use to the people of Canada.

These things and many others might be taken as the record of failures of this government during their three years in office, the sales tax being another failure. These are things which the people of this country should very well consider and will consider when the government goes to the country at the next election.

On motion of Mr. Sinclair the debate was adjourned.

On motion of Mr. Graham the House adjourned at 11.05 p.m.

Tuesday, April 15, 1924

The House met at three o'clock.

REDISTRIBUTION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move, seconded by Mr. Lapointe, that the special committee to whom was referred Bill No. 2, to readjust the representation in the House of Commons, be given leave to report from time to time.

Motion agreed to.

UNITED CHURCH OF CANADA

Hon. A. B. COPP (Secretary of State): I beg to present a petition from the Western Association of Congregational Churches,, representing all the Congregational churches in Ontario, west and north of Hamilton, in favour of church union.

Mr. R. F. PRESTON (Lanark): I desire to present petitions from the members and adherents of Zion church and St. Andrew's church at Carleton Place, Ontario, and also from the members and adherents of Knox Presbyterian church, at Beckwith, Ontario, both opposed to the church union bill.

Mr. J. F. WHITE (London): I desire to present a petition from the officials and members of the Methodist church of London, Ontario, for the incorporation of the United Church of Canada.

BANKING AND COMMERCE COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I move, seconded by Mr. Lapointe, that the name of Mr. Ward be substituted for that of Mr. Forke on the select standing committee on Banking and Commerce.

Motion agreed to.

PENSIONS, INSURANCE AND RE-ESTABLISHMENT

MOTION FOR SPECIAL COMMITTEE

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

That a special committee be appointed to consider questions relating to pensions, insurance and re-establishment of returned soldiers, and any amendments to existing laws in relation thereto which may be proposed or considered necessary by the committee, with power to send for persons, papers and records, and to print from day to day its proceedings and evidence taken, for the use of the committee, and to report from time to time, and that the said committee do consist of the following members, namely: Messieurs Arthurs, Black (Yukon), Brown, Caldwell, Carroll, Chisholm, Clark, Clifford, Denis (Joliette), Hudson, Humphrey, Knox, MacLaren, McKay, Munro, Pelletier, Power, Raymond, Robinson, Robichaud, Ross (Kingston), Sinclair (Queens, P.E.I.), Sinclair (Oxford), Speakman, Stork, Sutherland and Wallace; and that rule 11 be suspended in relation thereto.

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

Motion agreed to.

THE BUDGET

PRECEDENCE OVER OTHER BUSINESS

Hon. J. A. ROBB (Acting Minister of Finance): I beg to move:

That the order for consideration of the motion for Mr. Speaker to leave the chair for the House to go into committee of Ways and Means have precedence over all other business except on Wednesday, April 16, and except the introduction of bills, until disposed of.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I have no objection to the budget being given reasonable priority, but I do not think it is necessary that it should have precedence over, say, the answering of questions. I am afraid the order paper would become badly cluttered if there is to be no answering of questions until the budget debate is disposed of. I should think that unopposed motions for papers might also be given consideration before the budget inasmuch as they take but a few minutes.

Mr. ROBB: I think the request of my right hon. friend is reasonable.

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

Some hon. MEMBERS: Carried.

Motion agreed to.

REPORT

Report on Agricultural Credit, by Dr. H. M. Tory—Hon. Mr. Robb.

CONCERTS IN PENITENTIARIES

Mr. J. A. C. ETHIER (Translation) Before, Mr. Speaker, passing to the Orders of the Day, I wish to draw the attention of the hon. Minister of Justice (Mr. Lapointe) to an article which appeared, yesterday, in La Presse of Montreal, and which reads as follows:

> Concert in the Penitentiary
>
> The 35 members of the Knights of Columbus' orchestra, under the direction of Mr. J. A. Du Hayne, journeyed to St. Vincent de Paul penitentiary and gave a concert there yesterday afternoon, a delightful programme was rendered. It has become a custom to entertain convicts with musical concerts around New Year's day and Easter. Lt. Col. de la Bruère Girouard, Governor of the Penitentiary, thanked the musicians on behalf of the convicts.

I wish to find out from the hon. Minister of Justice how long has been in existence this custom of giving concerts to charm the leisure hours of convicts; who inaugurated this kind of pastime in the St. Vincent de Paul penitentiary; what was the cost of said concert and who is to defray the expenses; by what authority did the governor, the worthy Lt. Col. de la Bruère Girouard, become the spokesman for the convicts; in what manner did he express himself to thank the musicians on behalf of the convicts?

Hon. ERNEST LAPOINTE (Minister of Justice) (Translation): With reference, Sir, to the question of treatment of convicts in penitentiaries, opinions vary. Many believe that this treatment should be as harsh as possible. On the other hand, I notice, in the Votes and Proceedings of the House, a resolution stating that under the present act the most elementary principles of ethics, hygiene and humanity are violated. However, my hon. friend finds that there is too much entertaining. I shall make the necessary inquiries so as to furnish the hon. member with the information he desires.

PAINTING OF LATE PRESIDENT HARDING

On the Orders of the Day:

Mr. L. H. LADNER (Vancouver South): Mr. Speaker, may I inquire from the Prime Minister if the government will consider having reproduced the beautiful painting depicting the visit of the late President Harding to Vancouver, the reproduction to be hung in the Hall of Fame in this building? The painting in question is being presented by Mr. R. J. Crombie of Vancouver on behalf of the people of Canada to the American nation, and is now on view in Birks' store, Ottawa. President Harding's visit was the first of any President of the United States to Canada, and was a notable event in a century of peace. Has the government any plan to commemorate this historic event?

Right Hon. W. L. MACKENZIE KING (Prime Minister): When the government begins to hang paintings in the Hall of Fame I think they should be originals and not reproductions.

EMIGRANTS FROM CANADA TO UNITED STATES

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, last week the attention of the government was called to the fact that legislation had been introduced in the United States congress providing that no quota barrier should be erected against native born Canadians, but that other immigrants from Canada would be treated as though coming from the land of their birth. Thus Canadian citizens born in England would be refused admission if the British quota was exhausted. Has the government made any representations to the United States with respect to this discrimination against certain classes of our citizens?

Hon. J. A. ROBB (Minister of Immigration and Colonization): Mr. Speaker, the government have no knowledge of any changes in the United States quota regulations which will affect Canada.

CIVIL SERVICE SUPERANNUATION

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

> That it is expedient to bring in a measure to provide for the superannuation of civil servants, to provide for contributions by civil servants to the consolidated revenue fund, to provide for payment out of the consolidated revenue fund to civil servants and to the widows and children of deceased civil servants of superannuation allowances or gratuities, and to provide for the making of regulations by the Governor in Council to give effect to the terms of the said measure.

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

Sir HENRY DRAYTON: Explain.

Mr. ROBB: Mr. Chairman, it is intended to go on with the budget debate, and we are merely advancing this resolution a stage so

that the bill may be tabled for the information of hon. members before the Easter holidays. The bill to be submitted will be based on the recommendations of the committee of last session, reported to this House on June 22, 1923, too late then for legislative action. It will be introduced to carry out a promise made by the Prime Minister. It is proposed to submit the bill to a special committee for consideration—probably the same special committee that considered this matter last session.

Sir HENRY DRAYTON: Could not the minister tell us now what in his view the charge on the treasury would be? Can he not give us any financial details at all?

Mr. ROBB: I did have a memorandum of such details but I cannot place my hand on it now. I shall be prepared to give the information as soon as the bill is referred to the committee.

Sir HENRY DRAYTON: I should have thought the appropriate time to have the memorandum before us would be when the resolution is being discussed so that the committee may see what it is being committed to. I hope my hon. friend will be able to find his memorandum, for it seems to me the information it should contain goes to the basis of the resolution.

Mr. ROBB: I will give it to my hon. friend later. If he does not wish to advance the bill at this stage, it must stand over until after the Easter holidays.

Sir HENRY DRAYTON: I have not the slightest wish to delay anything. I only desire that we conduct our business in such a way that we may know what we are doing. If the government are not in a position to furnish the information now, perhaps they can send it over to us later on.

The CHAIRMAN: Shall the resolution carry?

Mr. MEIGHEN: May I ask how rapidly the government is proceeding with its plans for old age pensions and unemployment insurance? If I remember rightly, this superannuation measure was not mentioned in the Liberal platform, but the others were. It is said of the late Sir Richard Cartwright, that when a delegation came to him asking that a certain measure be adopted, he answered: He saw no objection; it had not been mentioned in the Liberal platform. Is it on that principle that this measure takes precedence over all that was contained in the platform? Also, what is the value of this resolution stage if we are going it blind, if we are just to pass the resolution and be told later on why we passed it? The minister should have had his information here, perhaps not as detailed as is given on a bill, but at least he should have had some general information as to what the scheme is and what it entails. We have not the slightest information about it, and to pass it now really is grotesque; it is absurd.

Mr. ROBB: I am prepared to send the information over to my hon. friend; I know it is in my desk in the office. However, if my right hon. friend desires it, we will let the resolution stand.

Mr. MEIGHEN: I do not feel content to pass a resolution that we know nothing about.

Mr. ROBB: I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

THE BUDGET

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

The House resumed from Monday, April 14, the debate on 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.

Hon. J. E. SINCLAIR (Queens): Mr. Speaker, I wish at the outset to associate myself with the sentiment expressed by the hon. Acting Minister of Finance (Mr. Robb) when he delivered his statement to the House, in which he voiced his regret that the right hon. Minister of Finance (Mr. Fielding) is not able to be in his place in the House and could not be here to present the annual financial statement. I am sure that it would have been a pleasure to him to announce to the House and the country the successful consummation of the policy of economy and retrenchment which this government has put in force during the past two years. The announcement, however, that the Minister of Immigration and Colonization (Mr. Robb) was to take the place of the Minister of Finance was received by the people with confidence and assurance, knowing, as they did, that the record of my hon. colleague since he has been in public life would be assurance of the delivery of an able budget speech.

If I may be permitted, Mr. Speaker, I should like to review briefly a few of the steps that have led up to the conditions that

obtain in Canada to-day and which have culminated in the announcement of the Acting Minister of Finance that the government have been able to balance their budget and to effect a considerable reduction of the public debt. I will ask hon. members to look back over the period of the last two years, or a little more, during which the present government have been in power. By doing this we will see the many obstacles which the government have had to overcome in arriving at the position indicated by the Acting Finance Minister.

When the government took office we found that the exchange as applied to our dealings with our greatest customer, the United States, was at a discount of from 10 to 12 and sometimes 15 per cent. Conditions generally in Canada were not good. Unemployment was rife in our industrial centres; we found it necessary during our first year of office to pay out over a million and a half dollars for unemployment. Business was not steady; business men were looking about for markets; the purchasing power of the people was lower than it had been for many years. That was the condition that obtained when the government took office. One of the first things we did was to review the estimates that had been placed before council by the officials under the regime of the ministers who had gone out of power, and our first act of retrenchment and economy was that of cutting those estimates down to the extent of over $130,000,000. In doing that we had to exercise great discretion in matters of expenditure. I think the best way to illustrate that is to give to the House the total expenditures for the years preceding and following the time of the government's accession to office. In 1920, the year in which the armistice was signed, the total expenditure of Canada amounted to $785,869,611. In the year 1920-21, in which the control of expenditure was, with the exception of the last three months, in the hands of my hon. friends opposite, the expenditure amounted to $528,283,199. In 1922 it was $463,652,436, showing a gradual reduction of expenditure. In the year that has just closed a considerable further reduction was effected, so that the total expenditure amounted to $375,213,651.

As well as effecting economies in expenditure it was necessary that we should look also to our revenue. The outlook in the year 1922 was such that if we had carried on affairs as they were left to us by the government that went out of power we would have been face to face with a deficit of $200,000,000 that year. It was necessary to grapple with that condition, and to that end we had to find more revenue. The revenue in 1920 amounted to $349,000,000, in 1921 to $436,000,000 and in 1922 to $389,898,000. In 1923 the revenue had increased to $405,414,000. We have heard some criticism in the House, and particularly in the country, in public addresses and in representations made through the press, to the effect that the government had increased taxation. Let me say emphatically that it was necessary in some way to provide for the commitments that had been made during the years of the war and after.

If it was necessary for the government to increase taxation, it was necessary only by reason of the fact that the government that preceded us neglected to make a proper impost of taxation when the people of this country had the money to pay taxation, and I am free to say, and I think the people of the country will agree with me, that any increases in taxation that we found necessary to make were largely along the line of taxation upon those who were in the position to pay. We increased the sales tax, and we have heard a great deal of criticism, especially during the past year, of that increase, but let me say that this was done after the business men and those engaged in industry in this country, those who had experienced the results of the taxation of the former government, and particularly of what is known as the luxury taxes, were ready to say to us, and say without hesitation that the best method of imposing the increased taxation was by means of a sales tax. So I would say to those who criticise that method of raising revenue that it meets with the approval of those who have to pay the revenue very much better than any impost such as the luxury taxes imposed by the former Minister of Finance.

Passing from that phase of the financial situation, we had to provide for a revenue that would not only pay our interest and our running expenses, but also for the whole capital cost of the war. It is not necessary for me to go into detail, because it has been very well put before the House on two or three previous occasions during this session, but I think it is something that is worth repeating, for if there is one thing more than another that my hon. friends opposite fell down in it was in not providing the necessary revenue to meet the expenditure when money was flowing freely into this country during the war. I say again that it was necessary for us to provide for the capital cost of the war and demobilization, which amounted at the end of the fiscal year 1920 to $1,670,406,242. Aside from that, the previous government added $13,733,333 to the national debt.

Mr. LADNER: Is the hon. member aware that during the war Canada paid approximately 48 per cent of the cost of her share of the war?

Mr. SINCLAIR (Queens): If my hon. friend will pay strict attention to what I am saying and look at the blue books also he will find that the capital cost of the war is still outstanding, plus $13,000,000 more.

Mr. LADNER: The American Bankers' Association engaged an expert to examine the cost of the war to all foreign countries, the revenues raised during the war, and the amount paid on war account, and if the hon. gentleman will read that report he will find that Canada paid during the war 48 per cent of the cost of the war.

Mr. SINCLAIR (Queens): My hon. friends on the other side are very ready to quote from the United States, but they were not so ready in years past to quote authorities from that country. If my hon. friend will look at the blue books published under the authority of this government and analyse the figures, he will find that those I have presented to the House are correct. There is nothing in the blue books or in any documents published under the authority of the Auditor General of this country that will show anything different. If my hon. friend has to go to foreign countries to bolster up his case and excuse the party he represents for not doing their duty during the war in finding the revenue necessary when such could have been obtained from the people who had the money, he must be in a very bad plight.

I was speaking, when the interruption took place, of the national debt. The national debt at the end of March last was $2,423,367,759.37. In the last two years our debt has increased considerably. In the year 1920-21, which was the first year after the armistice was signed, and a year in which the government of that day should have exercised a careful supervision over expenditure and exerted themselves to the utmost to raise the necessary revenue, the amount of $92,000,000 was added to our national debt. During the fiscal year ending March 31, 1922, $81,000,000 more was added. I may point out that for the last three months of that year this government was liable for expenditure, but the programme for expenditure was largely laid down by our predecessors in office, and all that could be done by us was simply to slow up on the expenditure, and I think it is safe for me to say that if there had not been a strong hand exercised during those three months in controlling expenditure the addition to our national debt would have been much greater. During the first year we had control of affairs in Canada, our national debt increased by $31,000,000, but last year we are in the happy position of being able to say to the people of this country that our national debt did not increase, but on the contrary showed a net decrease of $30,409,109.37, or an improvement when compared with the year previous of about $61,000,000. That was largely brought about by exercising a strong hand on economy, and also by collecting the taxes that were properly due without fear or favour. If we do not act with firmness and see that those who are able to pay, pay their just share of taxation, we cannot expect to bring Canada back to the era of prosperity which we all so much desire.

It is also to be remembered when considering this phase of the financial situation, that a large part of our expenditure is expenditure which we cannot control. In the year preceding last, our uncontrollable expenditure amounted to over $300,000,000. During the year that has just closed our uncontrollable expenditure has been reduced considerably, and when we analyse the figures closely we find that that reduction in uncontrollable expenditure is largely due to the increased earning powers of our Canadian National Railways. The management of the National Railways has been of such a kind that it has given results in this country; the increase of revenue has been very marked, and the decrease in expenditure in carrying on the railways has been equally, if not even more marked.

One of the principal factors enabling the government to balance the budget this year was the success encountered in the management of the Canadian National Railways, resulting in a reduction of the uncontrollable expenditure this year to about $250,000,000. The balancing of the budget was also made possible by the economies carried out in the general expenditure on ordinary consolidated fund account. These economies were rendered more difficult by the fact that during the war public works in Canada were allowed to stand. I am not criticizing hon. gentlemen opposite because of the fact, I am simply saying that it is the case, and that we encountered that difficulty when we assumed office. We found then that the public works of the country had deteriorated greatly and in consequence during our first year or two in office it was almost impossible to economize in expenditure of this character. However, although delayed at first in carrying out economy we have striven to make up for lost time, and the estimates presented to the House this session bear evidence as to the

sincerity of our efforts along that line. Sir, what do these reductions of expenditure mean to the people of Canada? That has been very clearly demonstrated in the budget brought down last Thursday by the Acting Minister of Finance. The reductions of expenditure made in 1923 amount to $29,000,000, those in 1924 to $59,000,000, and our estimates for the year we are facing, compared with the total estimates for last year, will show a reduction of $46,000,000.

There is one remarkable feature in connection with the reduction of the national debt which deserves special emphasis. It is that there has been a greater reduction of debt than has ever been announced by any previous government. It is a greater reduction than the aggregate reductions which characterized the golden era of Canada's prosperity under the Laurier-Fielding regime, from 1896 to 1911. The reduction made this year is also larger than the aggregate reductions made during the years of Conservative rule from 1911 to 1921. Sir, the budget so recently brought down is one which we may well be proud of, and one that should excite great pleasure among the people of this country.

It is scarcely necessary to refer to the reductions of duty that have gone into effect; they are apparent to everyone. But there is one feature of the tariff question to which I should like to refer. It was argued during the reciprocity election of 1911, and the same argument was brought forward at political meetings during the recess and during the present debate, that the farmers of this country require more protection, that from year to year agricultural products from the United States are being dumped in this country thereby demoralizing the markets of Canada, and that more protection in the matter of grain, vegetable and animal products should be given to our farming population. Sir, from my understanding of the situation no more unreasonable proposition was ever placed before the people. Hon. gentlemen opposite who represent the "interests" of this country—and I do not think it is unfair to them to make that statement—must be extremely anxious to make out a case when they say that the Canadian farmers need more protection. I repudiate any such idea. I say the farmers of the Dominion are not crying out for more protection. Let me devote a few minutes to an analysis of imports of agricultural products that enter Canada, and for the purpose of the comparison I shall take the latest figures available, as given in the trade returns for the nine months from April 1st to 31st December, 1923; it is not possible to get the figures in detail up to 31st March last. The necessity for more protection for the farmer was set out in the amendment moved to the motion for the adoption of the Address in reply to the Speech from the Throne this session. Is that claim borne out by the imports of agricultural products entering Canada from the United States? If we look at the trade statement to which I have referred we find the imports of animal and vegetable products—except chemicals, fibres and wood, amounted to $141,493,793. We also imported animal and animal products to the amount of $32,561,941. Now let me separate the imports of articles that are not produced in Canada from the imports of articles that are produced here. In the first table of vegetable products, mainly food stuffs, we find a total of $97,890,344 imported. Those imports are divided as follows, and I shall ask that the statement be incorporated in Hansard in tabulated form:

Imports of Vegetable Products

	Of a kind produced in Canada	Of a kind not produced in Canada
Total fresh fruits	$3,370,641	$12,318,349
Total dried fruits	854,087	4,316,865
Total prepared fruits and juices	802,215	896,331
Total nuts	.....	2,950,058
Total fresh vegetables	3,069,238	80,485
Total vegetables sauces and pickles	461,500	.....
Total grain	6,153,722	1,881,227
Total mill products	664,360	.....
Total prepared foods and bakery products	609,546	.....
Total vegetable oils for food	.....	613,138
Total sugar products and refined sugar	4,086,746	37,000,142
Total teas, cocoa and spices	.....	9,486,221
Hops, etc	724,068	
Various others	1,183,802	2,367,603
Total	$22,979,925	$74,910,419

Grand total of Vegetable products (mainly foods), $97,890,344.

Now, Sir, that is an analysis of imports as applied to vegetables and vegetable products.

Mr. STANSELL: Could the hon. member place on the record the amount of vegetable products sold to the United States for the same period?

Mr. SINCLAIR (Queens): Yes. Our exports during that period from Canada were $321,893,404.

Mr. STANSELL: Is that to the United States?

Mr. SINCLAIR (Queens): That is the amount of exports from Canada.

Mr. STANSELL: To the United States?

Mr. SINCLAIR (Queens): I have not analysed the exports to the United States. My analysis was of the imports. The duties we impose in Canada of course, have no effect on exports to other countries. The argument my hon. friend makes is that we should have higher protection in order to prevent the import of goods into the Canadian market.

Mr. STANSELL: No, it seems to me a fair comparison to examine our imports of animal and vegetable products from the United States. The figures on the other hand would only be the exports to the United States, not taking the entire exports of Canada.

Mr. SINCLAIR (Queens): If my hon. friend desires to analyse Canadian trade, he must go on the assumption that this country and other countries will produce and export articles that are indigenous to that country. In analysing Canadian trade we cannot confine it solely to the trade that passes between one country and another. If my hon. friend will look at our total Canadian trade he will see that the balance of trade between Canada and the United States is about $118,000,000 in favour of the United States. That is we still import $118,000,000 more than we sell them, but both the United States and Canada deal with other countries as well as dealing with each other, and if my hon. friend will analyse the trade between Canada and Great Britain he will find that the balance is about equal on the other side of the ledger. So that if we want to have a proper analysis of Canadian trade and our balance of trade, we must take into consideration the trade that goes to all countries. It is unfair to confine it to a comparison of the trade between any two countries. Now, sir, I might say with reference to the balance of Canadian trade, according to my hon. friend's method of figuring, our exports exceeded our imports by $152,000,000 last year. In that respect I think our trade is in a very fair condition.

Mr. SUTHERLAND: Did the hon. member give the imports of each animal product?

Mr. SINCLAIR (Queens): The table I analysed so far only applies to Canadian vegetable products. If the House will bear with me I will give some of the importations of animal products. In giving this summary, or in dividing the imports, it will be necessary to go into more detail and take each item as it is, and show what the duty is on each of the various items coming into Canada, because it is only by doing so we can get a true conception of what it means to the Canadian farmer, and what it means to, particularly, Canadian consumers, the labourers in the industrial centres who purchase these articles. During the period that I have referred to, the nine months ending 31st December, 1923, there were imported into Canada animal and animal products of a total value of $32,561,941. Included in this total are animals for exhibition purposes which may be classed as a kind not produced in Canada. For exhibition purposes, we have a reciprocity agreement with the United States; allowing their animals to enter Canada free of duty and sales tax which privilege they extend to those of this country:

Summary

Animals and Animal Products

	Of a kind Produced in Canada	Of a kind not produced in Canada
Animals for exhibition	.....	$1,749,263
Animals for improvement of stock	$357,357	
Common live stock	130,119	
Other animals living	103,449	
Bone, ivory and shell products	102,791	145,332
Feathers and quills	235,968	
Fresh fish	370,207	
Dried, salted, smoked or pickled fish	444,466	
Fish preserved or canned	717,385	
Other fishing products	62,996	51,632
Fur skins unmanufactured	5,921,873	
Fur skins manufactured	79,556	
Hides and skins, N.O.P.	5,297,049	
Leather unmanufactured	3,085,253	
Leather manufactured	2,229,534	
Hair and bristles	500,002	
Meats, fresh, chilled or frozen	2,465,877	
Meats prepared or preserved or cannod	3,256,724	
Milk and its products	773,426	
Oils, fats, greases or waxes	2,386,893	
Miscell. animal products	2,094,789	
Total	$30,615,714	$1,946,227

Total, $32,561,941.

Exports, $110,176,144.

Mr. SUTHERLAND: I am afraid my hon. friend's total is incorrect because the quantity of meat products imported, such as fresh pork and cured meats, aggregate more than the figures he has given.

Mr. SINCLAIR (Queens): I think the hon. member will find that the figures I have given are correct; I can assure him that I have very carefully prepared them. There is another table included in these figures which I think we might well take into consideration as indicating a very important balance in trade. I refer to the summary of agricultural and vegetable products other than food. This summary is largely comprised of one or two items, and shows in one column

what is produced in Canada and in the other the commodities not produced here. This list is as follows:

Summary

Animal Vegetables Products Other Than Food

	Produced in Canada	Not produced in Canada
Alcoholic beverages	$16,285,454	
Gums & resins	498,815	$ 1,204,888
Oil cake meal	15,876	27,883
Oils vegetables not food	163,370	5,782,141
Plants, shrubs, trees & vines.	925,388	
Rubber and its products		6,155,750
Rubber manufactured	2,100,166	
Seeds	2,341,940	389,286
Tobacco	4,663,875	
All other vegetable products.	1,831,852	1,190,742
Various		26,023
	$28,826,736	$14,776,713
Grand total	$43,603,449	
Exports	$30,605,456	

I will now give a summary of the imports of the three kinds which I have given in tabular form:

Grand Summary

	Of a kind grown in Canada	Of a kind not grown in Canada
Vegetable products (a) Mainly food	$22,979,925	$74,910,419
Vegetable products (b) Other than food	28,826,736	14,776,713
Animal and animal products.	30,615,714	1,946,227
	$82,422,375	$91,633,359
Total	$174,055,734	

I realize that I have trespassed upon the temper of the House in reading these tables, but there is a further analysis that is necessary before the full import of these statistics can be appreciated.

Mr. SUTHERLAND: I do not wish to interrupt the hon. member, but I scarcely understand how the animal products of Canada can be so low. As a matter of fact, during the year 1922, there was $9,286,000 worth of these products.

Mr. SINCLAIR (Queens): Well, I have given $30,000,000 for nine months.

Mr. SUTHERLAND: Does that figure refer to such articles as might be produced in Canada?

Mr. SINCLAIR (Queens): The figures refer to articles of a kind produced in Canada. Now, with reference to these imports, which we are told should be given more protection in order to prevent the commodities of other countries and particularly of the United States being dumped into the Canadian market to the detriment of the Canadian producer, let me analyse the figures so that hon. members may see the rate of duty imposed upon these goods at present:

Total Imports to Canada for nine months ending December 31, 1923

Vegetable products (a) Mainly foods	$ 97,890,344
Animal products	32,561,941
	$130,452,285
Vegetable products (b) Other than food	43,603,449
Total	$174,055,734

An analysis of the above figures reveals the following facts:—

Total Fresh Fruits

Principal fruits which may be grown in Canada.—

	Value	Rate of duty
Apples	$ 700,089	90c. per bbl.
Cherries	105,978	2c. per lb.
Cranberries	191,303	25 per cent.
Pears	768,872	30c. per bu.
Peaches	510,604	1c. per lb.
Plums	374,365	30c. per bu.
Strawberry	719,430	2c. per lb.
Total	$3,370,641	

Principal fruits not grown in Canada.—

	Value	Rate of duty
Bananas	$ 4,315,644	Free
Grape fruit	513,947	Free
Grapes	827,014	2c. per lb.
Lemons	998,909	Free
Melons	378,802	3c. each.
Oranges	4,532,146	Free
Pineapples	520,586	Free
Various	231,301	
Total	$12,318,349	

Total $15,688,990

The highest ad valorem duty is 25 per cent. The specific duties vary according to the prices of the articles, and in many cases they are even higher than 25 per cent. The point I make is that if we impose a further duty on these items, which my hon. friends opposite are so ready to ask us to do, it will not benefit our producers, because at the time of the year when these commodities are imported our fresh fruits are not in season, and consequently by imposing a higher duty we are simply making our labourers and artisans pay more for fresh fruits out of season without any corresponding benefit resulting to our own producers.

Mr. CALDWELL: Is it not a fact that these articles are also subject to a dumping duty in addition to the duties the hon. minister has cited?

Mr. SINCLAIR (Queens): The hon. member is quite correct; a dumping duty is imposed if the articles imported are sold here at a lower price than that which they command in the country of origin.

Mr. CALDWELL: Which adds to the protection.

Mr. SINCLAIR (Queens): It protects us from the dumping of inferior products. But it does not afford any protection to our people; it rather handicaps them if they want to buy fruit which is produced cheaply in another country. I do not think it is necessary to read the whole list of articles imported of a kind not produced in Canada; suffice it to say that they are mainly on the free list. Should any duties be imposed upon those articles, no benefit accrues to the Canadian producer because he does not grow them.

The argument I have presented with regard to fresh fruits is equally applicable to dried fruits, of which only a very small percentage are of a kind produced in this country and are valued at $854,087; whereas we imported $4,316,865 worth of a kind not produced in Canada. A small revenue tax is collected on these, varying from half a cent a pound up to 55 cents a hundred pounds. The same is true of prepared fruits of a kind not grown in Canada, of which we imported $896,000, and of a kind grown in Canada we imported $802,000.

Without wearying the House with an analysis of the whole table, I will deal with vegetables. These appeal more directly to the producer in Canada perhaps than any other commodity in this table. During the period mentioned we imported the following fresh vegetables:

Principal vegetables which can be grown in Canada

	Value	Rate of duty
Cabbage	$ 234,913	30%
Onions	337,650	30%
Potatoes	536,366	35c. per 100 lbs.
Tomatoes	904,596	30%
N. O. P.	1,055,723	30%
	$3,069,238	

Vegetables of a kind not grown in Canada

	Value	Rate of duty
Sweet potatoes	$80,475	30%
Various	10	
	$80,485	

Total fresh vegetables, $3,149,723.

Now, in the face of these facts, which are plainly brought out in the trade returns, I would ask my hon. friends who advocate high protection, in what way a higher protection than 30 per cent would benefit our farmers, seeing that these importations are made at a time of the year when we are not producing and have not on hand a sufficient supply of fresh vegetables for our own market? I repeat what I have said in relation to fresh fruits, that if we impose further duties on these commodities we do not benefit our farmers, we simply make our artisans and labourers pay more for articles of food which they must buy during the season of low domestic production and we thereby increase their cost of living. I think that those engaged in industrial occupations will agree with me that the cost of living and the cost of labour are two of the most serious factors that enter into manufacturing costs, and that it is only by reducing these costs that they can bring the price of their manufactured products within reach of the purchasing power of the people.

A large item of our imports is grain and farinaceous products as follows:

Grain and Farinaceous Products

Of a kind grown in Canada

	Value	Rate of duty
Beans	$ 636,703	25c. per bush.
Indian corn not for distillation	5,216,540	free
Corn for distillation	201,334	7½c. per bush.
Peas	99,145	15c. per bush.
Total	$6,153,722	

Of a kind not grown in Canada

	Value	Rate of duty
Rice uncleaned	$1,226,169	free
Rice cleaned	521,519	¾c. per lb.
Various	133,439	
Total	$1,881,227	

Total Grains, $8,034,949.

Milled Products

Of a kind produced in Canada

	Value	Rate of duty
Cornmeal	$135,607	25c. per bbl.
Sago and tapioca	34,694	27½%
Wheat flour	359,085	50c. per bbl.
Various	134,974	
Total	$664,360	

Total milled products, $664,360.

Prepared Foods and Bakery Products

Of a kind produced in Canada

	Value	Rate of duty
Such as biscuits, milk foods, cereal foods, Total	$609,546	Fram 25% to 30%

Total grains and farinaceous products, $9,881,094.
Exports, $301,677,777.

Let me pass on to animals and animal products.

Animals and Animal products

Total value of imports, $32,561,941.

Animals for Exhibition

Not produced in Canada

	Value	Rate of duty
Cattle	$ 101,955	free
Horses	1,628,403	"
Sheep	18,740	"
Various	165	"
Total	$1,749,263	
Various	134,974	

A large part of this represents horses for exhibition purposes. I may say that horses imported for exhibition purposes are exported but are not included as exports from Canada in our trade returns. Our friends would not say for a moment that we should put a duty, not to speak of a prohibitive duty, on horses or cattle coming in for exhibition purposes. We exported during the same period $392,651 worth for exhibition purposes. Cattle for the improvement of stock are free under the system of national registration; I need not go into that in detail. Of common live stock we imported only $130,119 worth, which paid a duty of 25 per cent, and in the case of horses a duty of $12.50 each. Of other animals, living, we imported $103,000 worth, to which different rates of duty applied. That makes a total value of animals imported of $2,340,188, 70 per cent of which represents horses for exhibition purposes. Our exports for the same period were valued at $10,791,026, over eighty per cent of which were cattle and were sent to the British markets.

I should like to refer also to the fisheries. We imported of fresh halibut during the period referred to, $36,916 worth at a duty of one cent a pound; of oysters in bulk, $156,000 worth at 10 cents a gallon; of fresh salmon, $60,000 worth at one cent a pound; of other fresh fish, $117,104 worth at one cent a pound. All these are subject to this low rate of duty. It would be unfair to contend that we should have a higher duty on fish. They are imported into Canada at a season of the year when we are not catching fish in large quantities, and to increase the duty would simply mean to increase the cost of living to the Canadian consumer. I do not think it is necessary for me to detain the House at further length in going into these figures. When my hon. friends of the Conservative party argue that the duty on these articles should be increased, they are simply asking for an increase in those living costs which already bear so heavily upon the labourers and artisans in the industrial centres. It is a mistake at this time, a mistake at any time and not in any way beneficial to agriculture, to increase the duties upon these articles.

Mr. CHAPLIN: Would the hon. gentleman say that the artisans and labourers of this country purchase these early fruits and vegetables that come in from the United States?

Mr. CHISHOLM: Certainly they do, in some cases.

Mr. SINCLAIR (Queens): Will my hon. friend tell me where they can get them if they do not purchase them? The ex-Minister of Finance (Sir Henry Drayton), in the few remarks he made the other day after the budget speech had been delivered, referred to two articles that are commonly used and largely produced in this country, namely, eggs and cheese. I think he said that the imports of cheese into Canada had increased 86 per cent. Ordinarily when an outstanding statement of that kind is made, the period is given to which the figures apply. Let me give to the House a few facts in connection with the imports of cheese into Canada.

Sir HENRY DRAYTON: The period to which the 86 per cent increase of imports from the United States applied was the year 1923, ending February 29, 1924. The figures with respect to the decrease of our exports, 50 per cent, were for the same year. Other periods, of course, might be chosen.

Mr. SINCLAIR (Queens): If my hon. friend had then given the period to which his figures applied I would have had an opportunity to compare them with the actual facts. I would like to submit to the House a statement which I think is correct in regard to the cheese industry in Canada. I have under my hand a statement showing the imports of cheese for the last twenty years.

Sir HENRY DRAYTON: I was getting mine down to date.

Mr. SINCLAIR (Queens): My hon. friend says he was trying to get down to late figures, but he should also apply those figures to late facts. I will tell him what the facts are: We import very little, if any, cheese of the kind that is manufactured in Canada. The cheese we import is sometimes high priced, sometimes not—Italian and Swiss cheese, cheese of fancy kinds which certain sections of our population are anxious to have but which are not produced in our country. During the last year a factory was started in Canada with a view to meeting the demand for this kind of cheese, and I may tell my hon. friend that one factory is sufficient to supply that demand. So that when he makes the statement that our imports of cheese have increased by 86 per cent and gives no information as to the kind of cheese that is referred to and as to the conditions generally with respect to the manufacture of cheese in Canada, his statement is calculated to arouse a suspicion in the minds of our people which has no foundation in fact. The imports of cheese for the calendar year 1923 amounted to $614,872 worth, and our exports for the same year were valued at $5,902,300.

Our exports were of Cheddar cheese and our imports were not: scarcely one pound of our

import was of this kind of cheese. So we find when we analyze my hon. friend's statement that it was made simply to create a spirit of unrest among Canadian producers and particularly among Canadian farmers, and made to bolster up the case for high protection on manufactured products. But every time that these assertions are made it is found that the real facts do not back them up, and especially is this the case in regard to cheese.

Mr. SUTHERLAND: What were the figures in regard to butter?

Mr. SINCLAIR (Queens): In 1923 we exported 2,403,086 pounds of butter and imported 1,523,381 pounds. Does my hon. friend think it would be wise to put a further duty on butter to keep it out?

Mr. SUTHERLAND: As high as the American tariff.

Mr. SINCLAIR (Queens): Does my hon. friend think it would be wise to increase the cost of butter to the labouring man and artisan in the industrial centres of Canada by a further duty on it?

Mr. SUTHERLAND: Our exports exceed our imports, so we have a surplus.

Mr. SINCLAIR (Queens): To go into this matter thoroughly, my hon. friend from South Oxford (Mr. Sutherland) knows as well as any other member of the House, because he is a practical agriculturist, that in Canada, and when I say Canada I mean the whole country from the Atlantic to the Pacific, we have a season of high production and a season of low production, and that is so because of our northern latitude. During our season of low production is it fair to those who consume this article every day, and who have no season of high consumption and low consumption as have the producers, to put on a tariff and prevent the importation of this product which our people wish to buy, in order to protect those people whom a high duty will not protect? That is the whole point.

Mr. SUTHERLAND: Is there a month in which we do not produce more butter than we consume in Canada?

Mr. SINCLAIR (Queens): There certainly is, and more especially in the outlying provinces. Conditions may not be quite the same in Ontario, because that is the most southerly situated province in Canada, but we cannot base our tariff policy on the needs of Ontario alone; we must take into consideration the whole of Canada when we are making tariff changes.

Sir HENRY DRAYTON: Why don't you?

Mr. SINCLAIR (Queens): My hon. friend is wrong. We did consider the whole of Canada. I wish to refer for a moment to animal products under the heading of eggs. Eggs have been referred to during this debate and also in the debate on the Address, as well as in many agricultural papers, and in fact the press generally throughout Canada. The general situation with regard to eggs, and I suppose the point my hon. friend has referred to is that the duty on United States eggs coming into Canada is 3 cents per dozen, while the duty on Canadian eggs going into the United States is 8 cents a dozen. Eggs are available to the common people of the country as a fresh and wholesome food and are used more than any other single article, because they can be purchased and kept in a fresh state and are available to the ordinary people when properly handled. Now what is the situation? The export and import figures show that for the fiscal year 1923 we imported 8,319,622 dozen, of which 8,256,168 dozen came from the United States. In dealing with eggs we must remember that it is an article in the production of which more particularly than is the case with any other article there is a season of high production and a season of low production. I think it is safe to say that in Canada generally during the months of December, January and February, our production of eggs in Canada is almost nil. Eggs are an article of food that our people wish to buy in the fresh state, and they will pay quite a premium for fresh eggs, so during the winter months there is a demand for fresh eggs which our Canadian producers are not able to supply. I will read to the House a list of the imports of eggs into Canada, showing the provinces into which they are imported, and analyze the statement later.

Eggs imported in 1923

Province—	Quantity in dozens	Value
British Columbia	298,950	$ 94,846
Alberta	67,541	21,404
Saskatchewan	23,516	7,896
Manitoba	337,517	104,973
Ontario	3,592,666	1,133,187
Quebec	2,126,397	671,365
New Brunswick	79,551	24,365
Nova Scotia	95,374	28,448
Prince Edward Island	1	18
Yukon	1,740	550
	6,623,253	$2,087,306

Not to take up too much of the time of the House, I may say that I have a table here which shows that the greater part of the importations of these eggs were made during the months of December, January and February, and a few in March. About five years ago the largest importer of eggs was the

province of British Columbia, but during the past three years there has been quite a lot of activity to encourage the production of eggs in that province carried on by the department of my hon. friend the Minister of Agriculture (Mr. Motherwell). The climate there is particularly suitable for producing eggs, especially during the winter season, and the result has been that to-day British Columbia is one of the smallest importers of eggs; in fact, they produce sufficient not only to supply their own needs but a considerable portion of the needs of the prairie provinces. You will see that almost the whole importation of eggs is into the provinces of Ontario and Quebec. Now, realizing that eggs are imported into Canada in the months when there is no production in this country, and the import figures show that during the months when there is production in Canada there is no importation of eggs worth speaking about, we see at once that a further duty upon eggs entering into Canada, which my hon. friend the Minister of Finance referred to a few days ago, would simply mean an increased cost of eggs to those who consume them in this country.

There is one feature in regard to the egg trade which may seem a little strange. During this time of the year, when eggs are plentiful in the republic to the south, it is common for large dealers to import eggs into Canada, and by means of that importation they are able to control and cut down the price in the Canadian market. I do not think that anybody whose economic principles are sound would object to that, because the cutting down of the price, when the supply is increasing, benefits the consumer although it may not be profitable to the producer. There is another feature about this question: When these eggs are imported and distributed in our Canadian market they have a tendency to decrease the consumption of eggs by our own people, a feature that is to be deplored. In order to offset that regulations have been passed requiring these low grade eggs to be marked according to quality in the same way that Canadian eggs are marked. Last year our inspectors inspected 6,623,253 dozen of eggs coming into Canada out of a total importation of 8,000,000 dozen eggs. I say that the Canadian producer is able to compete with his competitior in the United States providing that the competition is of a fair character. I think that the regulation now in force for the inspection of eggs is controlling and will continue to control the shooting in of low grade eggs from the American republic, to the extent that it affects or destroys egg consumption in Canada. As to the decrease in prices in Canada, the needs of the industrial population in this country must be considered, and if these workers, under the operation of the law of supply and demand, can buy their eggs at a lower price they are entitled to do so. Therefore I submit to hon. gentlemen who advocate a higher duty on eggs that it would not be in the best interest of Canada, now or at any future time, to raise the duty upon an article which is really one of the necessaries of life, and thus cause the workers in our industrial centres to pay more for the commodity than they really would have to pay if our producers were in open competition with the producers of other countries.

Mr. SUTHERLAND: Can my hon. friend give the estimated production of eggs in Canada, the estimated quantity exported from this country, and the estimated quantity exported to the United States?

Mr. SINCLAIR (Queens): I am not a walking encyclopaedia—

Mr. McMASTER: Pretty near.

Mr. SINCLAIR (Queens): —much as I should like to give my hon. friend that information.

Mr. SUTHERLAND: The hon. gentleman has been giving us the details of imports. Surely he can give us the figures in respect to the exports also.

Mr. SINCLAIR (Queens): In order to assuage the anxiety of my hon. friend I may tell him that I am not refusing to give that information. I have before me a statement showing the estimated production of eggs in Canada. The first note I have relates to the statement of the ex-Minister of Finance (Sir Henry Drayton) that the sale of Canadian eggs in the adjoining republic amounted to the small sum of $49,000. I do not know where the ex-Minister of Finance obtained those figures.

Sir HENRY DRAYTON: The figures will be found in the report of the Department of Trade and Commerce for the twelve months in question. My hon. friend will find that the quantity was 104,836 dozen and the value $49,227.

Mr. SINCLAIR (Queens): I thought my hon. friend stated that the figures were for the period ending February, 1924.

Sir HENRY DRAYTON: They were the latest I could get.

Mr. SINCLAIR (Queens): I took my figures from the trade returns to be found in the official blue book. I find for the year previous we exported eggs to the value of $126,851.

Sir HENRY DRAYTON: Those were exports to the United States.

Mr. SINCLAIR (Queens): Yes to the United States, and the quantity was 311,271 dozen.

Sir HENRY DRAYTON: I was not speaking of the general export, but simply the export to the United States.

Mr. SINCLAIR (Queens): No doubt my hon. friend chose the year that best suited his argument.

Sir HENRY DRAYTON: I took the latest figures that I could get.

Mr. SINCLAIR (Queens): I am very glad my hon. friend from South Oxford (Mr. Sutherland) has brought up this point. I had taken a note of it but in my desire to condense my remarks I was almost passing it over. The estimate of egg production in Canada for 1921 is calculated by the Dominion Bureau of Statistics at 168,049,154 dozen, valued at $40,968,841, from 25,755,356 hens or an average of 78 eggs per hen. In 1922 the production of eggs in Canada amounted to 194,058,468 dozen, valued at $48,490,578, from 29,945,484 hens, or the same average production per hen as in the year previously. The point I want to make is this: We have heard a good deal of criticism, during this debate and during the discussion of the estimates, as to the expenditure of the Department of Agriculture for the purpose of raising the standard of agricultural products for export. In the statement I have just read you will find figures which suggest the necessity of doing all we can to encourage Canadian producers to pay further attention to production in Canada. By our egg laying contests the possibility has been demonstrated of doubling the production of Canadian poultrymen as shown by these figures. If that can be done—and that it can is beyond question; as a practical agriculturist I am well aware that it is within the possible accomplishment of Canadian poultrymen—we may yet see a production of 150 eggs per hen provided those engaged pay greater attention to the development of the industry. If movements along these lines are encouraged it is almost impossible to estimate the progress that can be made in egg production in Canada. We are to-day producing $48,000,000 worth of poultry products, chiefly eggs. Production may be doubled by the application of proper methods to the industry. Now, as I said a few days ago, the expenditure we are making in Canada for inspection services is one of the best outlays that could be undertaken by this government. It raises the standard of our agricultural products and enables those products to take their proper place in the markets of the world, especially in the British market which in the past has not been taken advantage of to the extent that it should have been by Canadian producers. That is true not only of eggs; it applies also to meat and dairy products.

Mr. SUTHERLAND: My hon. friend promised to give us the figures of the export of eggs.

Mr. SINCLAIR (Queens): In order to gratify the desire for knowledge of my hon. friend from South Oxford (Mr. Sutherland) I may say that the exports of Canadian eggs for the year 1922 amounted to 4,399,534 dozens, whereas our production was 168,000,000. My hon. friend will see that the people of Canada, in the rural and urban districts are depending upon that article of food for their sustenance. They could not use any article that would be more nutritive than fresh eggs.

Mr. GARLAND (Carleton): The productions did not respond very well to the invitations of the Minister of Agriculture (Mr. Motherwell).

Mr. SINCLAIR (Queens): I am giving the statistics. The efforts of the present Minister of Agriculture are now beginning to show their effects. If my hon. friend will wait till he gets the returns for next year, he will probably find better results. I think I have made it clear that the references made by the apostles of high protection, and their arguments that these articles should receive more protection, are simply out of place. They can show no article in the trade returns in regard to which a benefit would accrue to the Canadian producer by an increase of duty at the present day. Comparing production in Canada with production in the States, I may say that the average production of farm products, apart from sugar, corn and cotton and the products of live stock, per capita of the United States is $73, as compared with $93 in Canada. Now if we produce more than they do in the United States, is it not to be supposed that we can produce it cheaper. Why should we enhance the cost to the consumers of Canada by an extra duty, when the price of our export surplus is based on the world markets?

Mr. SUTHERLAND: In order to keep out the American eggs that are coming in at the present time.

Mr. SINCLAIR (Queens): Am I right in assuming that the interpretation to be given to my hon. friend's contention is that it is better to make the consumer of eggs in Canada pay more for the eggs he consumes, and also to discourage him from consuming eggs by bringing in a low grade product, rather than to give him a good article at a reasonable price?

Mr. SUTHERLAND: The hon. member has contended that it is possible to increase the production of eggs enormously in this country. How can we encourage production by permitting foreign produce to come in.

Mr. SINCLAIR (Queens): I have just outlined the matter to the House. To encourage production in the line I have suggested means cheaper production than we have at the present time. We can increase production by the methods taught by the agricultural colleges and the experts in Canada, and we can increase production with the same number of hens that we have at the present time. We are feeding the hens to-day, and if by intelligent methods we increase production, I claim that we cheapen production, and we give to the consumers a better article at a lower price. If I understand my hon. friend's argument aright, he contends that the only way to increase production in Canada is to raise the price to the consumer by an artificial duty imposed by the government.

Mr. SUTHERLAND: The incentive to production is to show a profitable production.

Mr. SINCLAIR (Queens): Yes.

In connection with the railway situation, I stated in my opening remarks that the railways were largely responsible or responsible in considerable degree for the showing made in balancing the budget. I think that the management of the Canadian National Railways under the present board are to be commended for the showing they have made. It is not too much to say that I believe that the government when they secured the services of Sir Henry Thornton as president of the board of management, secured a man who has proven himself to be a real asset to the people of Canada. His management of the road as illustrated in the returns for the last year has proven that he has given to the country the value he was expected to give, and we believe he will continue to give that value.

5 p.m.

[Mr. J. E. Sinclair.]

We have had a good deal of discussion during the session with respect to branch lines, a discussion touching upon almost every problem presented to the board of management, whose recommendations have been endorsed by the Minister of Railways (Mr. Graham), and submitted to the House for its consideration and decision. I am sure, Mr. Chairman, that we all heartily endorse the proposition of the board of management and believe that its adoption will conduce to the betterment of the railway. We believe the additional expenditures will be more than repaid by the construction of the branch lines.

I desire for a short time to refer to matters that are of more provincial interest and I wish to point out that the province from which I come does not benefit in any way by the extensions which have been proposed and the building of the branch lines. I am raising no objection to that and not making it a ground for objection to the extensions in other provinces. I believe those extensions are all justified, but I may say that while no provision is made, the people in the province of Prince Edward Island have been urging the present government and the previous government to provide for railway extensions and branch lines in that province. The necessity for this is particularly acute, on account of the development that has taken place in the last two or three years in the growing of seed potatoes in the Maritime provinces. This industry has proven to be particularly profitable to our people. They find a very ready market among the people of the southern states, where they do not grow a high grade potato. The seed potato is one of the articles on which we make the American pay the duty imposed by his own government but the production of which we cannot carry on with success any great distance from a shipping point. I think it is safe to say that if a farmer is located four miles, or five miles at the outside, from the shipping point, it is almost impossible to carry on the seed potato business on a large scale, because the transportation costs on such a bulky article are very great. The development of this business has created a desire among our people for short railway extensions. The government in power in 1911 foresaw the position we were in, and provided for a branch line to run from Emerald Junction to New London. The contract was let and signed, and the government which succeeded the government of that day cancelled the contract. The matter stands to-day just as it stood at that time, and those people feel the loss thus sustained by the cancellation of the contract.

Mr. MEIGHEN: Is the hon. member now urging these branch lines on himself?

Mr. SINCLAIR (Queens): The leader of the opposition will see my statement. He has heard what I have said and I think it is quite clear to the House just what I mean. I stand by what I said.

Mr. MEIGHEN: The hon. gentleman is a member of the government and I am asking him the question. Is he pressing this policy on himself?

Mr. SINCLAIR (Queens): I am citing the condition that exists in the province in regard to railway extension, and when I have fully stated the case I am sure my right hon. friend will have no misapprehension as to the position I occupy, or the attitude the government is taking, in the matter. There is another section in our province that is also asking for an extension in order to develop fishing and advance the interests of agriculture in the special line I have mentioned: I am referring to that section from Hunter River to Rustico, a distance of eight miles. It has also been proposed, and indeed a petition was presented to the late government, to have another extension provided, and it is still looked forward to with confidence as something that will be taken up in the future. This other extension which I am now referring to is between a point on the Murray Harbour railway and a point on the Georgetown railway, namely, from Mount Herbert to Birt's Siding, a distance of twelve miles, which opens up a country the equal of which cannot be found in Canada from the point of view of production. The people in all these sections are anxious to take up a special line of farming, and unless some outlet is provided it will scarcely be possible for those who live more than five miles from a railway to engage in this work.

Let me impress upon the House the fact that our people are not unreasonable. They know the transportation situation in the province, and they realise that we are passing through a transition stage in which we are continuing the work that was begun by the government of Sir Robert Borden in relation to the island's connection with the mainland and the standardization of its railways. The work was begun in 1913 and continued during the war, but I am very sorry to say that my right hon. friend (Mr. Meighen) who interrupted me a moment ago allowed this work to lapse during the term in which he was leader of the government. Our people very much deprecated that fact; but fortunately the work has been carried on during the term of this government. The people of Prince Edward Island take the view that in order to have proper transportation facilities this undertaking must be completed before extensions can be made; and I am free to say that, to my knowledge, the view which the management of the Canadian National Railways take of this matter is that the break in the continuity of the work which was permitted by my right hon. friend should never have been allowed.

Mr. MEIGHEN: Does the hon. gentleman say that it was under the influence of this government that the Canadian National Railways continued the widening of the gauge?

Mr. SINCLAIR (Queens): I am sorry that my right hon. friend was not paying attention to my remarks. I said that the work was begun by the government of Sir Robert Borden in 1913 and continued step by step during the years of the war. And I say now that it is carried on with unbroken continuity.

Mr. MEIGHEN: My hon. friend is dodging the question.

Mr. SINCLAIR (Queens): What is the question?

Mr. MEIGHEN: I asked the hon. member whether he was suggesting that it was under the influence of this government that the railway board decided to continue the widening of the gauge.

Mr. SINCLAIR (Queens): My right hon. friend has formed a wrong impression of my remarks, but evidently the wish was father to the thought in this instance. I said that the work had been continued since he and his government went out of power, and I added that, according to my information, it was the intention of the management of the Canadian National Railways to continue the work until the standardization of the railways in the province had been completed. In that regard I think that the railway management are taking the proper step in the interests of transportation in Prince Edward Island, and I know that the people of that province will support them so far as that question is concerned. The people of Prince Edward Island, who have been looking forward to these extensions to which I have referred, are not unmindful of the financial conditions that render economy imperative not only in connection with our railways but also in regard to public expenditures generally. But they also are firmly of the opinion that it is absolutely necessary that the work of standardizing the railways in that province should be pushed to completion before further exten-

sions be made. The present state of affairs is one that cannot obtain indefinitely, as the needs of the people must be met.

I do not wish to detain the House at much greater length. I have referred to many matters that are of interest generally as well as from a local point of view, and in regard to the budget, I think it is one that will appeal to the common people of this country. It makes for a reduction in taxation of $2.70 per capita of our population, or over $13 per family of five. I have now nearly closed all the considerations which I have at present to offer the House on this budget. I have endeavoured to give a distinct and fair view of the financial condition of this country, and of the many obstacles we have encountered in attaining a balanced budget. I have compared the result of our effort with that accomplished by any of our predecessors regardless of the political party in power. I have pointed out that the budget of this year has not increased the burden of taxation now borne by our people, but that the reductions contemplated will mean a saving of $2.70 to every man, woman and child in Canada, I have referred to the increase in trade and production and have proven beyond the shadow of a doubt that more protection is not essential for the prosperity and success of the Canadian farmer; and I have shown that the injury assumed by the former Minister of Finance to have been perpetrated on our egg and cheese production in Canada is wholly imaginary. Look at the improvement in our railways. To-day they are a real asset to our country; a few years ago they were one of our greatest liabilities. Compare the value of our dollar in the money markets with its quotations in the beginning of 1922. Note the increase in bank deposits and in the volume of our foreign trade. Our production for the year 1923 was over four billions of dollars. The era of prosperity now reached is not the transient effect of an accident, not the short lived success of a day, but the genuine, natural and direct result of the confidence and faith which business and industry have in Liberal policies and principles.

Let us hope that the season of our severe trial is at an end, and that we are at length relieved, not only from the dejection and gloom which a few years since hung over the country, but from the doubt and uncertainty which, even for a considerable time after our prospect had begun to brighten, still mingled with the hopes and expectations of the public.

On our present situation fortunate beyond our more sanguine expectations, let me congratulate you, Mr. Speaker, the House, and my country! And, as I conclude, let me express my earnest wish, my anxious and fervent prayer, that now in this period of success, for the sake of our present age and of posterity, there may be no intermission in that vigilant attention of parliament to every object connected with the revenue, the expenditure, the resources and the industries, which have carried us through all our difficulties and led to this rapid and wonderful improvement; and that under the favour of Providence we may ensure the continuance of this unexampled progress.

[Mr. J. E. Sinclair.]

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I do not propose at this stage of the debate to discuss the tariff issues of the budget. No doubt the House will hear enough on the subject from other members, and should I find it necessary to discuss it later there may be an amendment introduced which will afford me the necessary opportunity. I wish, however, to make one comment upon the budget. I understood the Speech from the Throne foreshadowed the introduction of legislation to reduce taxation on the instruments of production, more particularly on those lines which have their origin in the natural products of the country. This has been carried out in the budget proposals by means of reductions either in the tariff or in the sales tax on the leading lines of instruments of production, such as farming, mining, fishing and lumbering; but it would appear that the paper-making industry has been overlooked, either accidentally or deliberately. It is certainly a business which is based upon the natural produce of the country. It is a very important industry in British Columbia, and there are four paper-making plants in the district I represent alone, as well as similar plants in other parts of the province. It appears to me that it would have been thoroughly in line with the declared policy of the government to have given the very expensive machinery which enters into papermaking—nearly all of which machinery has to be bought in the United States, —a rebate either in the sales tax or in the tariff, for the industry is by no means too prosperous at the present time. If the omission was merely an oversight, I hope the government will see their way to amend it when the resolutions come before the House.

I was sorry not to see either in the Speech from the Throne or in the budget any reference to a treaty with Australia, which was much talked of a year ago. I presume that the government has been unable to negotiate such a treaty at the present time. I hope, however, that it will engage their attention, for the conclusion of a treaty with Australia would be of very material advantage to the progress of British Columbia.

Now I propose to lay some facts before the House in connection with oriental immigration —not as respects British Columbia alone but all Canada. I know the oriental question is somewhat tiresome to many members, but I do not intend to discuss it in a parochial or even a provincial manner. It is unnecessary to do so, because two years ago the House passed a resolution, placing themselves and the whole of Canada on record as being in favour of effective restriction of all oriental immigration. Therefore it will only be necessary for me to touch on the salient points and keep the discussion, if possible, on the plane of a national question. In fact in view of certain events which are happening to the south of us to-day, I may say it is quite likely to become an international question in the near future. I wish particularly to confine my remarks to an absolutely non-partisan attitude. In 1922 the House will recall that the British Columbia members and some others debated the oriental question, and that not one of us introduced any note of partisanship; no reflections were cast upon one party or another. The result was that in a comparatively short debate—it lasted only one afternoon and evening—a great deal of what I think was useful information was given to the House, information that had the advantage of being unbiased and of representing the various points of view from which this question is regarded in the West. In sharp contrast to this, I had occasion the other day to look up Hansard for a debate on the same subject in 1913. On that occasion unfortunately a partisan tinge was given to the discussion. It was a very long debate, covering over two hundred pages of Hansard, but its informative value was very much impaired by the fact that every hon. gentleman who spoke took up a violent partisan attitude, and the debate degenerated into a series of reproaches, each party blaming the other for having or not having done something which they should not or should have done.

There are two phases of this question—the Japanese and the Chinese. I shall deal very briefly for the moment with the Chinese phase. When this parliament first assembled in 1922 we had a Chinese Immigration Act, which allowed Chinese to come in practically without limit on payment of a head tax of $500. After the House two years ago passed the resolution to which I have referred, pronouncing in favour of effective restriction, the government, in the following year, 1923, brought down a Chinese Immigration Bill which allowed entrance of the following classes: Members of the diplomatic service and their servants; Canadian or naturalized Chinamen going away for a visit and coming back to Canada; merchants; students. Under section 9 the minister was allowed at his discretion to permit any particular individual to enter for a strictly limited period, which had to be specified. Section 41 also provided that within ninety days of the act coming into force any Chinaman who was then en route to Canada would be allowed to enter; which of course was a reasonable provision. There was also a section, and a very important one, which required all Chinese to be registered within twelve months, this registration to take place at various designated offices.

It has been said that the act was loosely drawn and provided many loopholes for evasion. There seemed to be too many exempted classes. But results are always the best criterion of the effectiveness of any legislation, so let us see what the results were in this case. I have under my hand the results for seven months after the act came into force. In that time there entered Canada from China 455 Chinese—a large number apparently. But of these 438 came in under section 41—the section allowing Chinamen en route to Canada to complete their journey within 90 days of the passing of the act—and of course this provision will never be available again. So we may dismiss these from our consideration of the effectiveness of the act. This leaves only seventeen to be accounted for. Of these ten were Canadian Chinamen coming back after a visit. Of the remaining seven, five were students, one was a consular servant, and one came in by virtue of section 9, under which the minister could let anyone in at his discretion. It appeared that this man was a student at Berkeley, California, who wished to obtain some data in connection with our universities. As he was coming here not as a student he could not be enrolled as one; therefore he was admitted under section 9, for six months. At the end of five months he went away. So the net result of the operations of the act for seven months is that five Chinese students entered Canada who will have to go away at the termination of their scholastic career, and one consular servant, who also will have to go away when his master dispenses with him.

I think it can be truly said, Mr. Speaker, that in view of this record, this is a really effective measure of restriction, and that it can be regarded as a permanent solution of Chinese immigration—a long fought out question in this country.

There are some 40,000 Chinamen in Canada. Of these only about 6 per cent are women, and consequently the birthrate is very low.

In fact the birth rate is only 7.6 as compared to 21.4 of white people and 36.8 of Japanese —note how much more prolific the Japanese are. So the result might well be that the birth rate will hardly keep up with the death rate of those 40,000, and in time we may look to their gradual elimination and the final solution of the Chinese question in Canada. I think British Columbia and Alberta—because Alberta shares in this matter—are to be congratulated, and the members from those provinces are also to be congratulated upon helping, by their non-partisan attitude in this House, to bring about that result, because had we been squabbling and attacking each other no doubt the government would not have felt itself called upon to take any very decisive action. Perhaps we may also congratulate the members of the government who carried out the wishes of the House and of the West in that regard. All this is very satisfactory, Mr. Speaker, but there is no rose without its thorn, there is no ointment without its fly, and there is always a nigger in the woodpile. Before we finish congratulating ourselves on the result of this act we must realize that we are confronted with a very pertinent question from British Columbia and the West generally: Why was this act not made applicable to the Japanese as well? The British Columbia members are well aware, and we emphasized that in the debate two years ago, that the Japanese situation was the more acute, and the resolution was passed not only with the approval of the government but also with an amendment moved by a member of the government largely changing the wording of it, that Canada as a whole stood for the effective restriction not merely of Chinese but of oriental immigration. Nothing could be clearer or more emphatic. And why was it not made applicable to the Japanese? Well, Mr. Speaker, we were told it was because the Japanese objected. I recall an occasion some years ago when I asked the government of the day to close up a certain office. It was a sinecure: there was nothing wrong with the occupant, but he was not doing anything to earn his money and I suggested that in the interests of economy the office should be closed. Of course I got the stereotyped reply that we always get from governments: "We must have a report on this." So in due time a report was made and I was furnished with the information that it would not be possible to close this office, that grave objections existed against such a procedure. Of course I was supposed to be satisfied with that, and I have no doubt it was presumed by the department in question that I would never be heard of again. But with what I have no doubt they regarded as stupid obstinacy, I insisted upon knowing what those grave objections were and who made them, and after the usual delay it turned out that the grave objections were made by the gentleman who occupied the position. That was all the objection; it came entirely from him and it was merely founded on the fact that he did not want to give up the job. We have the same thing here. "Japan objects," but surely, Mr. Speaker, that is not enough: we are entitled to ask and we do ask the Japanese why they object. And what answer do we get? We are met with a plethora of vague and illusory arguments—I will not call them arguments: statements—which cannot stand the test of logic or of the precedent of international law. We hear the argument used, "We are a proud nation"; in fact, I have heard so much about that "proud nation" that it almost gives me nausea. "We are a proud nation," says Japan, "and we cannot tolerate anything that looks like discrimination against our nationals." But is a treaty ever made under which one nation does not give something to another which may be regarded as discrimination against some other nation which is left out of the deal? That is patent; everything of that kind implies directly or indirectly some measure of discrimination. We may be held to be discriminating against the United States manufacturers when we give a very decided preference in our markets to British manufacturers. Why does the United States not call us to account and say: "This is a discrimination"—which it certainly is—"against our manufacturers; we demand that you withdraw that legislation." Not long ago we had the instance of the United States putting a very high tariff on cattle and wheat—Canadian cattle and Canadian wheat. The word "Canadian" may not have been inserted in the original tariff, but it was absolutely designed to hit Canadian cattle and Canadian wheat, and I am pretty sure that in the case of the last increase, made a few months ago, by which an even higher duty was imposed on wheat, the words "Canadian wheat" were actually used. And is it not on record that recently there has been talk of their putting an embargo upon these same Canadian products, and Canadian products only? There can be no question at all that the result of that tariff has been the loss of a large market for our western farmers; there is no doubt that it has cost our people millions of dollars. And what have we done about it? We know that it has been bad for us and for our trade. We believe, in fact we hope, as we are entitled to hope, that it has proved harmful also tc

the United States; and we believe that in time they will realize that a mistake was made both from their point of view and from our point of view, and will repudiate that legislation. But in the meantime what have we done? Did we go down to Washington, rattle the sword in its scabbard, and give them to understand that if such and so was not done, "grave international complications" would ensue—as was done, in fact in connection with the Japanese question in the republic to the south of us a few days ago? We did nothing of the kind, and had we done so I think we would have been very promptly and very properly told to mind our own business. What we did do was to accept the thing with such resignation as we could muster, recognizing the right of these people to control imports into their country in their own way and to impose what terms they saw fit with regard to such products as should be received. And if that is a proper procedure with regard to products, why not also with regard to people? Why have we not the right to say what people shall come into our country and form the basis of our future citizenship? Even in matters of immigration we find that the United States is discriminating against Great Britain in the establishment of a quota, but we do not find Great Britain, who is so very anxious to get rid of her surplus population, talking threateningly about "grave international complications." Why, Sir, the very policy that we seek to adopt in Canada is followed by Japan herself. Is our policy not this: That we wish to restrict Japanese and oriental immigration generally because we do not want to subject our white population to an intense economic competition with a race whose standards of living are lower than ours? Well, those are almost identically the words which Japan herself uses in restricting the immigration of orientals—orientals, mark you—from China, and also from Korea, the latter a province of Japan. Japan, I say, imposes these restrictions upon the numbers entering her own country, practically in the language I have just quoted, and she does it by Imperial Ordinance No. 352.

Mr. WOODSWORTH: Would the hon. gentleman suggest the exclusion from Canada of all goods from oriental or other countries where there is a lower standard of living than that of our own Canadian workmen?

Mr. NEILL: Mr. Speaker, the hon. member is an adept at devising these—what shall I say?—these situations which may confront us some time in the distant future. We are dealing now with immigration; let us make this country a white Canada and we will deal with the products later on. For the present let us confine ourselves to the immigration of people, not the importation of products. If the hon. member has any idea that the restriction of oriental immigration will affect our trade with the East, he may disabuse his mind of it, because experience the world over has shown that people will always trade where it is convenient and profitable to trade. Another reason: if they do not buy the goods from us, where are they going to buy them? Certainly not in the States; so that there is no fear that we will suffer in that regard.

Mr. WOODSWORTH: I think my question has been misunderstood. It is simply because we are obtaining large quantities of goods from the Orient, those goods being produced under conditions where the standard of living is much lower than that which exists in this country, and my question was whether it was suggested that we should exclude all imports which were produced in a country where the standard of living is lower than in Canada.

Mr. NEILL: My hon. friend apparently is drifting up the House; that is a question I would expect to come from my right. Would he suggest as a remedy that we put a tariff on these goods?

Mr. WOODSWORTH: No. I simply asked whether the hon. gentleman would propose that.

Mr. NEILL: I am not in favour of puting a high tariff on food entering Canada at the present moment, but I do not wish to be drawn into a discussion of tariff issues, which I think have no bearing on this subject.

Now I wish to summarize the status of the situation to-day, so that we can see what confronts us with regard to the Japanese. Many years ago the immigration of Japanese into Canada was regulated by our ordinary Immigration Act. We had no special Immigration Act such as we had with respect to the Chinese, but in 1907, owing to the pressure of a large influx of Japanese, the government of the day negotiated what was called a "gentleman's agreement" with the government of Japan. I think the right hon. the Minister of Finance (Mr. Fielding) described it as a somewhat loosely expressed agreement, and I think that is a very good description. There has been a good deal of misconception and a good deal of misunder-

standing has arisen concerning this mysterious document known as a gentleman's agreement. Once you make something hidden and mysterious all kinds of suspicions and myths and misunderstandings grow up around it. I think it might be profitable to put some portion of that agreement on Hansard, so that we would have something to start from and have a place of ready reference. I might say that a great deal, in fact almost all, so far as I know, that has ever been printed in regard to this gentleman's agreement is found in Hansard in the year 1913, when this debate I refer to was going on. It is not very long and the House will bear with me perhaps if I put it on Hansard, because this is a matter that is going to be of very great importance in the near future, and it is much more convenient to find the agreement in the Hansard of to-day than to turn back ten years ago. Here are the two regulations which form the basis of the gentleman's agreement. The letter is dated December, 1907:

Following is the agreement which was included therein:

The regulations (a) would be sent at once to the governors of the several prefectures of Japan, and the regulations (b) to the consuls of Japan in Canada.

(A)

The following classes of emigrants only are those to whom the Japanese government will grant permission to emigrate to Canada

1. Emigrants having previously resided in Canada and holding certificates of such residence issued by the Japanese consular authorities in the Dominion, and the wives and children of such emigrants.

2. Emigrants specially engaged by Japanese residents in Canada for bona fide personal or domestic service, upon production of written evidence of such engagement, attested by the competent Japanese consular authorities.

3. Contract emigrants, where terms of the contract, works to be done, names and standing of the intended employers are satisfactorily specified; such contracts to be accompanied by a certificate from the Japanese consul of the district where the labourers are to be employed.

In addition to the above, emigrants brought in under contract by Japanese resident agricultural holders in Canada and especially required for the promotion of such agriculture; such contract to be accompanied by the certificate of the Japanese consular authority in the district where the labourers are to be employed.

(B) Copy of Memorandum to Consular Authorities.

The consular authorities to whom application is made for the issue of a certificate attesting the genuineness of contracts for the employment of Japanese labour in Canada shall not issue the certificate unless they receive satisfactory evidence that such contract has the approval of the Canadian government.

As an exception to this rule, Japanese consular authorities in Canada may issue certificates to Japanese resident agricultural holders who require Japanese labour for the working of their agricultural lands at the rate of from five to ten labourers per one hundred acres of land held by the applicant.

It does not say whether it is per annum, per day or per month. It continues:

It is necessary, however, that before issuing these certificates all Japanese consular authorities shall exercise great care to ascertain the bona fides of the applicant and will take into close consideration the existing state of the labour market and of public feeling.

With reference to domestic and agricultural labourers mentioned in the regulations, the Japanese government do not contemplate that under existing circumstances these two classes should exceed four hundred annually.

The last sentence I read is not in Hansard; it is in the letter accompanying these regulations, and it follows closely the language used in the correspondence which the right hon. the Prime Minister tabled the other day, so we may conclude that it is fairly correct. It is well known that 400 was the figure referred to. I would like the House to note the language used there: "The government of Japan do not contemplate—"; that is the only binding clause in it, the only one that suggests that somebody will do something. "The government of Japan do not contemplate" doing such and so. It is not put any more definitely than that, and it is surely a very vague commitment on which to found what ought to be a treaty.

Now it is easy for me, and it could very readily be not only easy but cheap for me to stand here and criticise the statesmen of twenty years ago. Times have changed since then, and I do not want to fall into that fault, because conditions were different then from what they are now. But I think two mistakes were made in that connection; first, there was an error made in the principle adopted in making this agreement—the principle by which we should surrender to a foreign nation our right to control our immigration; and the second error was in the details under which it was worked out, inasmuch as they were much too limited. But I must remember, and I will frankly admit, that conditions were different then. Canada was a very young nation in those days, and we did not possess or if we possessed, we had not learned to use the right to make treaties and bargain with foreign nations ourselves. In those days any negotiations of that kind had to be done through the British Embassy in the old country —a very slow, a very long and a very tedious method. Quick action was desirable in this case, and the government of the day and the men who went there to negotiate that agreement probably did the best that could be done at that time. The condition was urgent: the Japanese were coming in at the rate of between seven and eight thousand a year, and we find that after the passing of this agreement, in the following year only 495 came in; so at least it can be well claimed that this agreement, whatever its defects, had an immediate success in that regard. But unfortunately,

while there was such a violent drop, conditions were such that it did not prevent the numbers rising again, as it did later on. The fact that the agreement was so loosely drawn made it possible to increase, perhaps without infraction of the agreement, the immigration to an extent that we find a few years ago, in 1919, the total immigration from Japan amounted to 1,178—a very big increase indeed.

Now the popular conception of that agreement I think has always been that 400 was the total limit of immigration into Canada. I know I myself entertained that idea for many years until recently, and I think it was generally accepted in that way; but as a matter of fact far more could come in, as we have shown. In some respects there was almost no limit. We have heard a great deal during the late war of the evils of secret treaties, but these treaties were at least written and in a concrete form; but here is an example of the evils not only of secret treaties but of treaties that were practically unwritten, or at least very loosely expressed in the manner I have indicated. It makes it doubly hazardous to deal with an agreement—an international agreement remember—when it is expressed in this vague way. Now owing to the garbled version we thought that 400 was fixed as the limit of the total emigration; but that restriction of 400 a year was only confined to two classes. One was people employed in domestic service and that does not necessarily mean the employment of females only because the word "personal" was used in the agreement, which might mean men as well as women. The Japanese returns are classified so differently from what they are under our system that it is almost impossible to check the two up and show whether the proper number came in or not. If we were to take the total emigration of Japanese during those sixteen years which the agreement covers we would find that the number clearly had been grossly exceeded. But that would be improper because the return contains a large number of women some of whom were not subject to restriction under the gentleman's agreement. If, on the other hand, we eliminated all the women that would not be fair because a number of them might come in. or perhaps did come in, under the heading of "domestic servants." It is almost impossible to say whether the gentleman's agreement was adhered to or not, but I do find that the following classified people, according to our returns, came into Canada during the sixteen years that agreement was in force: There were 1,139 farmers, 145 mechanics, 484 clerks, 8 miners, and 737 not classified. These are all males. Well, it is apparent that none of these should have been allowed in, because the gentleman's agreement made no provision at all for the entry of mechanics, clerks, miners or farmers, but only agricultural labourers; and of course in the majority of cases the unclassified might be anything at all. Therefore it is very difficult to say whether the Japanese government adhered to the strict letter of their agreement or not. It may be advisable to concede. for the sake of argument, that they did, because my own argument is based on something different to that.

I have before me a pamphlet issued by the Consul General of Japan in Ottawa in the year 1922. The title of this pamphlet is "Facts about Japanese in Canada and other miscellaneous information." I remember once reading a pamphlet called "Facts and Fancies" and somehow or other the Japanese pamphlet reminds me of it. I see that the title, very properly I think, makes a distinction between "facts about Japanese" and "other miscellaneous information." The suggestion is that the facts are facts and the miscellaneous information may or may not be facts. I think it is a very good definition because there are a great many facts that I do not find in this pamphlet, and a great many of the facts that are stated to be facts are certainly not facts at all. We were all furnished with a copy of this pamphlet at the time of its issue, and it was of course prepared by the Japanese authorities. Now, I turn to page 10 and it gives a statement of Japanese labourers sailing to Canada during the fourteen years between 1908 and 1921, and it shows that the total number of domestic servants that sailed during that period was 1,015. That is according to this little pamphlet. But, Mr. Speaker, it is well known that you can prove anything by figures, especially when you have the preparing of the figures yourself. I have here our census returns which are supposed, at least, to be more or less accurate, and I find that during the same period the emigration from Japan of domestic servants was 110. I am not saying there was deliberate fraud there at all, I do not think so. but when the returns of our government show 110 domestic servants coming to Canada whereas the Japanese returns gives the number as 1,015, the figures in both cases being applicable to the same period it shows how impossible it is to know what number of emigrants is or is not coming in to the country. There is no question but that the same difficulty exists, as regards the emigration of women. Now, the gentleman's agreement said that all women and children could come in provided the women were wives of Japanese in Canada; and, of

course, any one would say the agreement meant the wives of Japanese then in Canada. However, I think there can be no question, although it is very difficult to prove—there is no question I think after careful consideration of these statistics—that there was a good deal of evasion practised in that regard. Many of these men, the majority of them, must have been single when they came, and the evasion I am afraid was worked in this way: The Japanese women could come in if they were the wives of Japanese in Canada. Well, what happened? Somebody in Japan, issued a book called The Picture Bride's Book the same as one of Eaton's catalogues, and the Japanese living in British Columbia would turn the pictures over and when he came to a picture that he liked he would select it and forward it with a sum of money to Japan. On the return trip the woman would come accompanied by a guarantee that she was the party represented. She brought with her a certificate of some form or proof that she was the wife of this man. I have no doubt that when she arrived the man married her willingly enough provided there was a certain amount of resemblance between the woman herself and the picture he had paid for. That is how, I think, the thing was worked. I do not say it was done with the connivance or knowledge of the Japanese government, but it was certainly done by the nationals of Japan. The same thing happened, although upon a larger scale, in California. There it was carried out on such a wholesale scale, it developed into such a scandal and caused such a fuss, that in deference to the pressure of public opinion the Japanese government themselves interfered and stopped the practice. For the Picture Bride's Book they substituted the "Kandokan" system, but I believe a great many more Japanese were brought in under the latter than under the former. I think there is no doubt that a great many of these women who came to Canada as wives were not wives. If we turn to page 13 of the pamphlet I have already referred to we find a statement of Japanese passengers returned from Canada. On page 9 is given another statement showing the number of Japanese passengers that sailed to Canada. Now if we deduct the one from the other it shows that in fourteen years, taking in the period from 1908 to 1921, there were 113 more Japs went back to Japan than came to this country and naturally the inference is "What on earth are the British Columbia people kicking about, if as a result of sixteen years' operation of the gentleman's agreement there were 113 fewer Japs in Canada than there were at the beginning." Now those are Japanese statistics.

[Mr. Neill.]

Let us turn now to our own statistics, and I think our census returns can be held to be more or less reliable. Our census returns show that in 1911, which was three years after the beginning of this period remember, there were in Canada 9,021 Japs. Now if we wish to get the correct number for 1908 we must make a deduction from the figures of 1911 to allow for emigration in those three years. A reasonable proportion, perhaps, would be 7,000, but to be well within the mark I shall say 7,500. In 1921 according to our census returns the number was 15,868 so that at the end of fourteen years the increase was at least 100 per cent. I will also refer to page 13 of this pamphlet, where they quote the right hon. Prime Minister (Mr. Mackenzie King) in the debate in May, 1922, and he in turn quotes a remark made in April 1919 by the Hon. Mr. Calder then in the government, wherein he uses the following language:

> I have gone into the situation very carefully, and I can tell the House that the agreement has been lived up to by the Japanese government to the letter. As a matter of fact, taking the figures for the last four or five years there are in the neighbourhood of four or five hundred fewer Japs in Canada to-day than there were in 1914.

This assertion is in line with the one I quoted from the pamphlet and yet I have quoted our own census returns, which show an increase in the Japanese population of 100 per cent.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 56, for the relief of Theresa Agnes Sprague.—Mr. Kennedy (Glengarry and Stormont).

Bill No. 57, for the relief of Terry Andrea Maxwell Bruce.—Mr. Boys.

Bill No. 58, to incorporate The Confederation Canal and Power Company.—Mr. Rankin.

THE BUDGET

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

Mr. NEILL: When the House adjourned at six o'clock I had been pointing out the discrepancy between a statement quoted in the House by Mr. Calder, which no doubt was made in perfect good faith, as well as a statement in a pamphlet got up by the Japanese

Consul, on the one hand, and, on the other hand, the records as disclosed by our Canadian census. The same thing can be observed in the United States; and it is remarkable how closely the conditions there approximate, either in the past or now, with the conditions in this country. Under pressure of public sentiment some years ago the United States government proposed to introduce an oriental exclusion law, but by reason of strong representations on the part of the Japanese they confined themselves instead to the introduction of a Chinese exclusion law, entering into a gentleman's agreement with the Japanese, which was very similar to our gentleman's agreement with those people. Under the Chinese exclusion law, in a given period of years thereafter, the Chinese population in California, which was a very large one, decreased by 50 per cent. I might point out that this gentleman's agreement with the Japanese was intended, as it was actually stated, to take the place and serve the same purpose as an exclusion act; but to save the face of the Japanese nation it was agreed that the arrangement should take that form. There was no four hundred limit as in our case; it was supposed to be absolute. Yet in the same period as I have indicated in which the Chinese population decreased by 50 per cent, the Japanese population increased by 25,000. That I think speaks for itself. This gentleman's agreement, both in the United States and in Canada, has proved itself a failure. I am willing for the sake of argument, if that will save time or save the face of the Japanese government, to admit that I at least for the moment am unable to prove that that government has been knowingly privy to any fraud in the carrying out of this agreement. The returns are so involved and divergent in their purport that it is impossible to prove anything of the kind, and I say frankly that I could not to-day show that the Japanese government were privy to any fraud in carrying out the terms of the agreement. But that statement does not apply to the nationals of Japan, who were acting more or less on their own authority. I am not looking at the methods but at the results; and the net result of this gentleman's agreement, which was intended to restrict, has not been to restrict but instead to increase the Japanese population, in a given period, 100 per cent. It has resulted in a large increase, out of all proportion, in the number of Japanese women coming into the country; and with their large birth rate of 31.8 per cent, nearly 40 per cent greater than that of Canada as a whole, the result will be by natural means to largely increase the Japanese population in this country and thereby foment and increase the economic disturbance which the presence of these people creates in whatever part of Canada they are living. Therefore I maintain that the agreement has proved a failure in that it has not restricted Japanese immigration. So much for that.

In 1910 the Immigration Act was amended, and section 38, we find, gave the minister power to prohibit for a stated period, or permanently, the landing in Canada of immigrants belonging to any race deemed unsuited to the climate or the requirements of Canada, or of any immigrants of any specified class, occupation or character. That certainly gave us power to exclude Japanese or any similar class of immigration. But we do not have it now because in 1919 that section was repealed and a much stronger section put in its place, section 13, which not only goes the distance I have already recited but includes power to the minister to reject immigrants who, in his opinion, are undesirable from their probable inability to become readily assimilated. That is all on that subject, which I merely introduce now that I may refer to it in my general argument later on.

In 1913 we passed an act adopting a treaty of trade and commerce which had been entered into between Great Britain and Japan. It was devoted entirely to trade and shipping matters, but it contained a clause which allowed the nationals of either race to live and trade in the country of the other contracting party. Now, the act by which we ratified that treaty contained a provision which said that nothing in the treaty itself, or in our act, should be held to repeal or affect the provisions of our immigration law. There was a very long and acrimonious debate over the matter and on some correspondence which had passed between the government of the day and the Japanese authorities. The discussion centered for a long time around the point: Did this correspondence in any way modify or qualify the clause which stipulated that the treaty would be subject to our immigration law? The leader of the government of the day, Sir Robert Borden, said emphatically and repeatedly—and he was backed up by his ministers—that in his opinion the correspondence did not affect the stipulation, and never was intended to affect it, but was purely of an academic character, and that the section still stood good in law and in practice making the treaty subject to the Immigration Act of that day at least.

There was further discussion as to the point: Would this treaty be subject to any future amendment of our immigration law.

There was no doubt that it was subject to the Immigration Act of that day. There was a long discussion on this point also, which developed some divergence of opinion, but I notice that the right hon. gentleman who is now the leader of the opposition (Mr. Meighen) made a strong argument to the effect that the act of that date gave power to the minister to make regulations, and that this power could not be affected or vitiated in any way, but would always endure, and that under it we could make any further restrictive regulations that we might deem advisable. He made a strong and, I think, forcible argument in that regard. In any case, whether that is so or not, there is no question that the act of that day at least applied to the treaty then made. I would remind hon. members that this act contains section 38 which I have quoted.

Now, to summarize the situation up to date. We have, first, this loosely drawn agreement which, if adhered to by the Japanese government, was at least evaded by their nationals, especially in regard to the immigration of their women, resulting in a 100 per cent increase of the Japanese population. Then we have this treaty, subject, however, to section 38 of our Immigration Act, and perhaps subject also to section 13 of the 1919 act, which was even more stringent. Then we have the agreement made by the right hon. leader of the government (Mr. Mackenzie King) and recorded in the correspondence which he brought down a few weeks ago, whereby the number of Japanese immigrants under the gentleman's agreement was reduced from 400 to 150, but leaving intact all the other provisions of the original agreement. Then finally we have the resolution—and I think it is a very important one—passed by this House two years ago—in May 1922—affirming the opinion that we should have effective restriction of all oriental immigration. I leave myself in the hands of the House, Mr. Speaker, to say whether the foregoing is not a fair summary of the situation as it exists to date.

Beyond that we have two other phases that have only recently arisen. We have the fact that in California the legislature some time ago passed legislation forbidding Japanese to own, lease or hold agricultural land. That act was sustained by the Supreme Court of the United States. It practically means that something like 50,000 Japanese have been thrown out of occupation in California and the adjoining states. It naturally follows that there will be more or less of a desire on the part of at least a proportion of those 50,000 Japanese to make their way into Canada by legitimate or illegitimate means. I saw in the paper the other night that about 20,000 of them may go to Mexico. I hope so.

The other phase is the outcome of the Immigration Act which the American congress recently passed, one of the most important features of which is the practical exclusion of Japanese immigration. This is the first time they have taken such a drastic course, and apparently they have gone at it in a very whole-hearted way. I have had some correspondence with the honourable congressman who had charge of that particular measure. He writes me that they had there the same difficulty that we have had, the difficulty of convincing congressmen from the eastern part of the States that the Japanese problem was not confined to the Pacific coast; but apparently they have at last managed to convince congress that the situation involved the whole country. Congress passed the measure by a large majority, some 330 for and some 72 against. The Washington papers of last week stated that the act was coming before the Senate and it was anticipated that the restrictive clause would be struck out, but that there was some feeling in favour of such a restriction and there might possibly be a close vote. That was the expectation a few days ago. But what happened, Mr. Speaker? We see in the papers to-day that the measure passed the Senate by a very large majority, 72 senators being in favour of retaining the clause and only 2 voting for its deletion.

Now, we have an Asiatic Germany as well as a European Germany. Just at the very moment when diplomacy was specially called for we find the true tactics of the Germans in evidence—the Japanese came down with a boast and a threat: the old game of the sword and the drum. At the psychological moment the Japanese ambassador practically threatened the United States as to what would happen if the legislation was passed. I think probably nothing tended more to its passing the Senate than this teutonic attitude. For instance, one senator said that:

> The right and power of congress to exclude "whom it will" was not to be challenged. Other nations were aware of that, and it was unnecessary to seek the consent of any nation to proceed.

Another senator said:

> The protest of the Japanese ambassador against the exclusion provisions was an impertinent communication, which would not be tolerated even by a fourth-rate power.

I presume that the measure will be ratified by the President and become law. I have not for years heard any news of a political character which has given me more satisfaction than this action by congress. As to this I feel like saying with the prophet, "Now

is our salvation nearer than we believed." Certainly it is nearer than when I saw this correspondence brought down a few weeks ago. The very fact that that legislation is passed will also tend to set the tide of Japanese immigration still stronger towards our shores, and it behooves us to be especially careful in guarding our rights in this respect. For that reason I was sadly disappointed when I saw the correspondence and saw what arrangement had been made with the Japanese authorities. I was disappointed in two ways. First, in the immediate results: True there has been a considerable reduction, but the door is still left open, especially to women, and that in many ways is very undesirable. I have looked up the immigration returns since then, and I find that there has been a substantial reduction. Fewer Japanese have come in since that agreement was arrived at than before, but unfortunately there is nothing to prevent an increase of the numbers later. This condition always arises when we make an agreement of that character with Japan. The last time it dropped from 7,000 to 495, and afterwards it went up to 1,200. Here it has dropped considerably, but the possibility is there, the opportunity is there, and we have no guarantee that it will not in the future, as in the past, go up again to a very large extent. We may have next year 1,178 instead of the number that it is now, or even more. Now, had the exemption been fixed, not at 150 of certain grades or classes or occupations, but at 150 of all grades of Japanese, the situation would have been much more satisfactory. It could not even then be regarded as a permanent solution, for nothing short of definite and permanent exclusion would reach that end, but it might be regarded as a temporary solution because the power would then be vested in us to check this immigration as it came in. So it would have been taking a proper step to confine it absolutely to 150; it would have been a simple matter of counting heads—which, by the way, Mr. Speaker, is the only safe way in dealing with a question of this kind in connection with orientals.

The Minister of Justice (Mr. Lapointe) when he was Minister of Marine and Fisheries helped us a great deal out on the coast by introducing regulations in his department reducing the number of Japanese who could get fishing licenses. We appreciated his action, and it will be remembered by many fishermen on the Pacific long after some of his more notable achievements have been forgotten. A few months ago it became necessary, in continuance of this reduction policy, to refuse to renew certain Japanese licenses, and the question that naturally arose was, whose licenses should be refused? An extraordinary situation at once developed. There had been no question of suspicion in regard to the men who had the licenses the previous year; there was no suggestion that there had been anything improper about their naturalization papers or their licenses. But this year as soon as it was discovered that some of these men had to forfeit their licenses, affidavits commenced to come in to the effect that certain fishermen were holding their licenses improperly. These representations were to the effect, for instance, that a certain man in whose name a license had been issued had been dead for two years. Or, they would say, "This man over here was never on the west coast at all; he was up at the Skeena; this other man is in Japan," and so on. The unfortunate official who had to decide this question found his desk stacked up with affidavits, each one more vehement and positive than the last one, alleging that absolute fraud had been perpetrated by certain numbers of these Japanese, the whole idea, of course, being that if they could get these men whom they were accusing eliminated, they would themselves be able to get licenses. The official, of course, gave the accused persons an opportunity of rebutting the charges made, and presently an equal number of equally vehement affidavits were filed in defence of those accused and charging every crime in the calendar against those who had originally made the complaints. Now, it is of no importance to my argument which of these affidavits were wrong, which of the bunch perjured themselves or whether they all did. As to that I do not know, but it was a revelation of how little we know of what goes on when we are dealing with orientals. Had it not been for that chance occurrence in connection with the elimination of some of these men we would never have heard any suggestion that there had been any impropriety about the way they were holding their licenses. It therefore makes me anxious to see that the immigration, if it must be under the gentleman's agreement, is confined to a very definite number that would take in all classes, so that it would only be a question, as I have said, of counting heads.

So much for the result, so to speak, of that agreement; now a word as to the method. I was very sorry indeed to see the gentleman's agreement maintained. I had

hoped it would have been withdrawn. It was an opportunity to place Canada, I was going to say, almost on a pedestal, certainly to bring her into considerable prominence in the North American continent, probably among all civilized nations, as having been the first, though a small and a young nation, to take a firm stand in the matter, to tell the Japanese that we were done with gentlemen's agreements and that hereafter we were going to be mistress in our own house. We should have been in the enviable position of having given a lead in the matter and the great republic to the south would have had no recourse but meekly to follow our example. Unfortunately we lost that opportunity. Now, this government since it has been in office—and I am not complaining of it in any way at all—have emphasized, I will not say the independence of Canada, because that does not express what I mean and might be misunderstood, but, if I may use the word in connection with a nation, they have emphasized the individuality or the individual entity of Canada as a nation. We saw that in the determination to negotiate our own halibut treaty with the United States, and also to sign it ourselves. We saw it more recently in the correspondence in connection with the Lausanne treaty, and in some other matters that I do not recall at the moment. But it is ten times more necessary that we should take such a stand in connection with immigration and ten times more necessary that we should control it ourselves than it was in any of the instances I have mentioned, and I regret very much that the same policy was not adopted. We should have told the Japanese nation that their objection to our restricting their immigration on the ground of economic competition was not a tenable one, in view of the fact that they themselves adopted exactly the same procedure in restricting immigration into Japan of Chinese and of their own subjects from Korea. We should have told them that we could no longer hand over to somebody else the control of one of our fundamental rights. We should have told them that entrance into Canada is not a right to be possessed by anyone, but is entirely a privilege to be retained by us and controlled entirely by us in our own interest. With the exception of this particular instance in connection with ourselves and the States there is no record in history of one nation, except under stress of military force and subjection, giving up such an important right to another nation. As I say, the two instances I gave were exceptions, and we find that the United States has now repudiated the arrangement. I hope that it is our intention to follow suit. We should have told the Japanese nation that the gentleman's agreement was a generation old, that while we were then a young nation, what was suitable then is not suitable now. We have grown up and we must forget those boy and girl entanglements of the past. We are now a man among men, a nation among nations. We have the full rights of a nation, but we shall never be accorded recognition of those rights in the civilized world if we do not exercise and maintain them to the full. Surely, Mr. Speaker, we have as much right as Australia or New Zealand to set up as our ideal of citizenship, a white Canadian manhood. It is so in Australia, it is practically so in New Zealand; why should it not be so here?

I do not suggest for a moment that this matter should have been put up to the Japanese nation aggressively, or in any way offensively at all. It should have been put up resolutely and firmly, and with this fixed determination, to get it into the minds of the Japanese statesmen that this matter had got to be settled, and that there was only one way to settle it, that the best solution both for them and for us was an effective measure of restriction. I say for both of us advisedly. For us because we will never be satisfied with anything less, and the longer it is left the more difficult it will be, with Canadian-born Japanese children growing up in increasing numbers to deal adequately with the situation; and it will be best for the Japanese nation too to understand once and for all, and understand now, what I do not believe they have grasped, that they must not think they can look here for an outlet for their overflowing population. It will give them an opportunity to turn to some other country where perhaps they will even be welcomed. They no doubt have the idea, and there is much in our past history to justify it, that perhaps in time they would overcome our prejudice against them and that we would allow them to over-run our country. The sooner they understand that is not so, and that our determination is for all time, the better for them, because it will afford them an opportunity to turn to other spheres and possibly to nations where they really would be welcomed.

The records of political history, and our own experience as business men, both unite to tell us that no arrangement can be satisfactory when it is framed in such vague and indeterminate language as this so-called, gentleman's agreement. "It is not contemplated"—that is the operative clause, so to speak, the binding portion of this agreement.

"It is not contemplated"—that is all. I wonder how hon. gentlemen would like to see an expression like that on a note given by some creditor of theirs—"It is not contemplated." That is the only binding clause in the agreement. The whole thing is wrapped up—we surround it ourselves inevitably, it is not in the thing itself—with pretence and suspicion, because pretence leads to suspicion. On the one hand, we are in the position of saying, "Gentlemen, this is an agreement, but it is not binding." On the other hand, we say, "Gentlemen, this is binding, but it is not an agreement." Which is right? They both cannot be, and yet we alternately use both, that is the situation.

I would certainly ask the government not to regard as final, indeed, there was nothing to suggest that they were final, the negotiations that are revealed in the correspondence brought down a few weeks ago. I would not ask them to renew those negotiations, but rather to drop them, and to come before this House with a bill constituting a true measure of effective restriction, which indeed would be thoroughly in accord with the expressed wish of this House as recorded in the vote of May, 1922, when we passed unanimously a resolution that we were in favour of effective restriction of all oriental immigration. I would appeal, I would pray the Prime Minister—I would paraphrase Scripture and ask him to forget the things which are behind and press towards the mark for the prize of our high calling. In this case the prize, the grand prize, would be the realization of our ambition to create in Canada a white Canadian citizenship, a citizenship all white, and all Canadian.

Mr. J. D. CHAPLIN (Lincoln): Mr. Speaker, I wish to express the regret that we all feel on this side of the House at the enforced absence through illness of the Minister of Finance (Mr. Fielding). We hope he may soon recover; we believe it is the hope of the country at this particular time that he may have a speedy recovery. I think the country feels that it is a misfortune that he should have been taken ill at the present time.

I wish to say a word in respect to some of the statements made by the minister without portfolio (Mr. Sinclair) who spoke before six o'clock. Briefly I will take his own figures. He tells us that we are importing into this country from the United States $82,000,000 worth of products of the farm, which are entering into direct competition with our own farm products. According to him we must not increase our tariff; we must not defend ourselves against the nation that practically puts an embargo on our products; we are to crawl—and he makes the excuse that we must not do it because of the artisans of this country. Well, all I can say to the hon. gentleman is that he and this government are not worrying very much about the artisan just now. I come from a section of the country that is right up against that competition, a section close to the border, and I am not afraid to tell him that we want a tariff and an increased tariff on that kind of product.

He says that it is impossible to put a tariff on vegetable products because of the artisans; it is impossible to put a tariff on early fruits because of the artisans. Let me tell him that the United States are several weeks in advance of us in our section of the country; their products come in several weeks earlier, and I would ask the minister or any other member of the government if those early fruits from the United States that spoil the early market of the growers in the province of Ontario and all along the border are for the artisans of this country. The people that use that stuff, selling at high prices, are the people that can well afford to pay, and it is from those people the tax should be taken, and not from the artisans. Who of the artisans in Ontario are buying tomatoes at 40 cents a pound, for they are coming in right at the present time. Are the artisans of this country likely to buy these tomatoes from the full pay roll that is going to come from this so-called reduced taxation, these reduced duties that are coming into force?

Take eggs, which the minister (Mr. Sinclair) spoke of. The same thing applies there. Fowls mature a month earlier in the warmer climate of the United States than they do with us. We have to house our cattle and our poultry over a longer period. Why should the extra profit in that business be handed over to the United States people? Is it not pretty nearly time something was done for that particular industry?

Now I want to say a word to the minister without portfolio in reference to this so-called surplus and this so-called saving. The minister and the government put me in mind of a merchant who used to meet his bills by means of a note. When he had signed the note he would shove the bill in the drawer and say, "Thank God, that is paid." Now, that is exactly what occurred in this railway situation; it was exactly the same thing over again. We have bills payable coming due that this government will have to meet. Why should it not put those in its bills payable ledger? I very well remember that last year the Minister of Finance, who is unfor-

tunately ill at the present time, in delivering the budget said, not exactly in these words but to this effect: "Dear me, up to the time that I met that unfortunate railway deficit I had a surplus. But I met that unfortunate deficit. It knocked my surplus out but I paid it." Now, this government has not met the obligation—it passes by on the other side and forgets to meet it. It has not been as frank as the Finance Minister was last year. The government thinks it is going to get the people of this country to believe that it has a surplus when in reality it has a liability on its hands. The government really ought to be frank about the matter but that is what it is not. It looks to me as if there was a sort of arrangement under which every minister comes along with a prepared statement of a campaign character, a statement got up in first class style. These ministerial statements are being issued to us in reams. It is against the rule to read speeches in this chamber but the Minister of Finance and young members of the House are allowed the privilege as a courtesy. And so we are getting these ministerial statements. We have had a number, I wonder if there are any more to come.

Before entering into any further criticism of the budget resolutions I wish to lay before the House an analysis of the French treaty.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: You did that last year.

Mr. CHAPLIN: Oh no, I did not do it last year. What I did at that time was to criticize the proposition. Now I am going to give an account of the workings of this treaty. The Minister of Justice (Mr. Lapointe) told us the other day that the French treaty was working out fine—

Mr. MEIGHEN: Hear, hear.

Mr. CHAPLIN:—and he gave us the illustration of agricultural implements. But when he was asked what the exports of canned salmon were he said: "Oh well, you will have to put a question on the order paper. I do not carry that information with me." There has been an increase in the export of agricultural implements, I am glad to say. But this government acts in a peculiar way. With one hand it signs a treaty giving the implement manufacturer some export trade with France, and with the other hand it extends the home market to the American manufacturer. To such an extent has the home market been handed over, that during the past ten months $11,000,000 of agricultural implements were supplied to this country by American manufacturers. This government does not exactly follow the Biblical admonition. On the contrary it does not let its right hand know what its left hand is doing.

Mr. McMASTER: That is what you are told to do, that is the admonition.

Mr. CHAPLIN: In other words the Minister of Justice was prepared to take all the encomiums that would come from an increase in the trade with France, but he did not want to tell the House anything about the possible losses under the treaty. Now I propose to give the House an exact analysis of the trade with France during the last five months. In the first place, however, I desire to say that I am not opposed to a treaty with France or with any nation. All I ask is, that if we make a treaty it be a fair and reasonable one and suitable for us. When I criticized the French treaty in the first place I declared that it was not reasonable or fair. I think the results of five months have pretty well shown that; I am quite satisfied that at the end of the year it will be demonstrated beyond all fear of contradiction.

I regret that I have to read quite a few figures. In order to get at the facts it is necessary to do this. I intend to place these figures on Hansard so that those who want to check them up can do so. The statement I have prepared covers five months, including the month of September, 1923, which is the date of the treaty coming into force, up to the end of January this year. I have prepared a list of sixty articles imported from France showing the value in each case of the goods, the amount of duty collected, the amount of duty that would have been collected had the treaty not been made, and the loss to the country on account of the treaty. Not only that, but I have also prepared a further statement with respect to some of the treaty countries that had the benefit of these reductions which were given to France. I have prepared a statement dealing with Switzerland and Japan which I wish also to go on record. I shall read the list of articles referred to in their entirety. I should prefer not to be interrupted; if there are any questions to be asked I shall be glad to reply to them afterwards:

GOODS IMPORTED FROM FRANCE during five months, viz., September, October, November, December, 1923, and January, 1924, showing duty collected, also amount that would have been collected if French treaty had not been made.

Article	Quantity	Value	Duty	Duty that would have been collected	Loss
		$ cts.	$ cts.	$ cts.	$ cts.
1. Non sparkling wines	65,326 gal.	85,816 00	14,288,65	61,964,91	47,676 26
2. Brandy	83,354 "	432,792 00	782,446 00	833,540 00	51,094 00
3. Cigarette paper		133,735 00	40,165 00	46,807 25	6,642 25
4. Fabrics printed	16,894 yds.	9,637 00	2,551 58	3,132 03	580 45
5. Velveteens and plush fabrics	139,659 "	96,350 00	27,644 68	33,722 50	6,077 82
6. Handkerchiefs		8,252 00	2,367 17	2,888 20	521 03
7. Lace		35,481 00	5,481 54	7,096 20	1,614 66
8. Lace collars and other mfgs. of		70,607 00	20,685 43	24,712 45	4,027 02
9. Cotton clothing		53,175 00	17,351 95	18,611 25	1,259 30
10. Ribbons of all kinds		108,799 00	29,048 96	38,079 65	9,030 69
11. Silk fabrics n.o.p.		942,871 00	279,093 35	330,004 85	50,911 50
12. Silk clothing		255,255 00	80,397 48	95 720 62	15,323 14
13. Silk blouses and waists		40,167 00	12,368 25	15,062 62	2,694 37
14. Women and children's dress goods	626,254 yds.	349,548 00	68,947 89	87,387 00	18,439 11
15. Worsteds and coatings	326,862 "	318,699 00	97,170 90	111,544 65	14,363 75
16. Casimere cloth, doeskins, etc		260,773 00	80,043 05	91,270 55	11,227 50
17. Gloves and mitts, knitted		67,652 00	17,435 35	23,678 20	6,242 85
18. Gloves and mitts, leather		107,124 00	28,193 35	37,493 40	9,300 05
19. Crochet and knitting cotton		52,138 00	10,762 18	13,034 50	2,272 32
20. Fabrics, yarn or piece dyed	201,224 yds.	106,599 00	28,830 29	34,644 67	5,814 38
21. Fur skins, wholly or partly dressed		152,450 00	19,798 33	22,867 33	3,069 17
22. Embroideries, etc		167,327 00	19,323 13	23,764 45	4,441 32
23. Yarns, mostly of wool	37,223 lbs.	47,602 00	8,645 52	9,520 40	874 88
24. Yarns, Woolen and worsted		9,652 00	2,665 82	2,895 60	229 78
25. Perfumery, cosmetics		67,544 00	17,609 68	21,951 80	4,342 12
26. China and porcelain, tableware		60,371 00	12,938 27	16,602 02	3,363 75
27. Nuts of all kinds		361,545 00	54,874 01	69,143 84	14,269 83
28. Candy and confectionery		10,387 00	3,453 21	3,803 33	350 11
29. Olive oil		35,055 00	5,590 75	7,011 00	1,420 25
30. Essential oils		20,739 00	1,188 60	1,555 42	366 82
31. Glue, gelatine isinglass		25,782 00	6,275 78	7,090 05	814 27
32. Manufactures of lead		23,982 00	6,071 53	7,194 60	1,123 07
33. Medical pharmaceutical preparations		110,817 00	28,630 13	33,809 70	5,179 57
34. Castile soap		24,408 00	3,301 27	6,276 32	2,975 05
35. Toilet soap		12,338 00	3,683 68	4,009 85	326 17
36. Canned meats, etc		7,028 00	1,458 77	1,932 70	473 93
37. Cheese	96,071 lbs.	44,642 00	2,621 11	2,882 13	261 02
38. Champagne		106,964 00	67,358 05	99,580 25	32,222 20
39. Manufactures of feathers, etc		46,795 00	11,293 50	12,869 62	1,576 12
40. White cotton fabrics		10,567 00	2,314 81	2,636 50	321 69
41. Manufactures of silk, etc		310,875 00	97,606 95	116,579 61	18,972 66
42. Manufactures of wood		18,326 00	3,790 17	4,581 50	791 33
43. Novels, books		7,269 00	1,187 87	1,817 25	629 38
44. Wire cloth, copper or brass		18,703 00	4,006 15	4,675 75	669 60
45. Medicinal or medicated wines		17,960 00	12,803 90	14,344 00	1,540 10
46. Alcoholic perfumes		16,884 00	12,966 30	15,195 60	2,229 30
47. Precious stones		63,610 00	5,954 42	6,361 00	406 53
48. Jewellery, etc		21,933 00	6,140 79	7,676 55	1,535 76
49. Fancy boxes, writing desks, card cases, purses, pocket books		52,692 00	14,579 57	18,442 20	3,862 63
50. Tobacco, pipes and pouches, etc		112,859 00	33,732 82	39,500 65	5,767 85
51. Bead ornaments, toys, statues, etc		47,928 00	12,296 40	14,379 20	2,083 80
52. Instruments		7,768 00	1,590 15	1,942 00	351 85
53. Other musical instruments		8,828 00	2,255 73	2,648 40	392 67
54. Combs for dress and toilet		9,110 00	2,714 21	3,188 50	474 29
55. Toilet brushes		23,469 00	5,389 09	6,453 97	1,164 88
56. Moving picture films		1,317 00	276 34	508 44	232 08
57. Mineral and aerated waters		47,268 00	75,641 16	8,271 91	707 75
58. Canned vegetables	258,000 lbs.	39,885 00	2,701 53	3,875 45	1,173 92
59. Canned fruits	153,800 lbs.	29,097 00	3,143 80	3,845 77	701 97
60. Unenumerated		39,031 00	6,446 38	6,849 13	402 75
					387,204 67

GOODS IMPORTED FROM JAPAN during five months, viz.; September, October, November, December, 1923 and January, 1924, showing duty collected, also amount that would have been collected if the French treaty had not been made.

Article	Quantity	Value	Duty	Duty that would have been collected	Loss
		$ cts.	$ cts.	$ cts.	$ cts.
1. Wines	13,343 gal.	29,682 00	9,457 66	17,115 56	7,657 90
2. Glue and gelatine	7,076 lbs.	6,795 00	1,606 74	1,868 62	261 88
3. Cotton piece goods fabric	118,400 yds.	15,608 00	4,233 20	5,072 60	839 40
4. Cotton clothing, etc		11,435 00	3,507 03	4,002 25	495 22
5. Embroideries		18,592 00	5,339 87	6,500 20	1,160 33
6. Silk cloth		156,409 00	35,440 58	54,743 15	19,302 57
7. Silk shirts, stockings, etc		18,855 00	6,127 08	7,068 05	940 97
8. Rugs, carpets, etc		22,438 00	7,024 93	8,283 50	1,258 57
9. Mfg. furniture and wood		15,533 00	3,324 61	3,935 15	610 54
10. Paper		9,378 00	2,476 80	2,750 95	274 15
11. Incandescent electric lamps	277,999	23,942 00	6,938 85	7,182 60	242 75
12. China and porcelain tableware		152,118 00	36,440 83	42,225 20	5,784 37
13. Drugs		3,902 00	928 90	1,008 65	79 75
14. Toys		31,863 00	8,180 98	9,558 90	1,377 92
15. Brushes and combs		132,470 00	31,602 18	36,991 77	5,389 59
16. Buttons		65,321 00	18,222 79	22,862 35	4,639 58
17. Jewellery, etc		23,802 00	2,532 30	2,804 20	271 90
18. Fancy boxes and baskets		17,846 00	4,936 28	5,647 60	711 32
19. Packages and coverings		39,042 00	7,595 79	8,093 75	497 96
20. Nuts of all kinds		33,352 00	10,865 99	11,205 50	339 51
21. Fresh vegetables		9,230 00	2,536 33	2,730 68	194 35
22. Canned vegetables, pickles and sauces		42,271 00	7,865 51	8,575 76	710 25
23. Unenumerated articles			5,951 96	6,376 25	424 29
					53,905 07

GOODS IMPORTED FROM SWITZERLAND during five months, viz., September, October, November, December, 1923, and January, 1924, showing duty collected, also amount that would have been collected if the French Treaty had not been made

Article	Quantity	Value	Duty	Duty that would have been collected	Loss
		$ cts.	$ cts.	$ cts.	$ cts.
1. Gloves and mitts, leather		2,030 00	538 30	710 50	172 20
2. Gloves, knitted or cut from fabric		60,737 00	16,795 05	21,257 95	4,462 90
3. Embroideries, etc		198,550 00	57,191 16	70,190 50	12,999 34
4. White cotton fabrics—victorias, lawns, etc		9,315 00	1,950 47	2,328 75	378 28
5. Lace, white and cream coloured		28,546 00	4,450 95	5,709 20	1,258 25
6. Velvets and velveteens		17,214 00	5,357 71	6,024 90	667 19
7. Silk fabrics		1,783,814 00	533,655 88	624,334 90	90,679 02
8. Manufactures of silk N.O.P		5,486 00	1,445 87	1,719 75	273 88
9. Silk cloth woven		74,128 00	16,678 84	25,944 80	9,265 96
10. Ribbons		193,760 00	51,938 31	67,816 00	15,877 67
11. Women and children's dress goods		8,333 00	1,689 83	2,083 25	393 42
12. Wearing apparel		19,111 00	5,790 90	6,698 85	907 95
13. Clocks and watches		56,759 00	14,405 96	16,927 70	2,521 74
14. Knitted goods		19,886 00	6,122 15	6,960 10	837 95
15. Incandescent lamps		20,292 00	6,015 35	6,087 60	72 22
16. Unenumerated articles		12,087 00	2,571 06	2,697 10	126 04
					140,895 98

The total figures of losses under the French treaty may be recapitulated as follows:

On French imports	$387,204
On Swiss imports	140,895
On Japanese imports	53,000

On Norwegian imports, the amount would be $30,000 for the year, which would make a grand total for five months of $611,099. At the rate of $122,000 a month for 12 months it means $1,464,000. In addition to this there is a loss of revenue from wines manufactured at home because of a mistake that somebody made; when the treaty was brought back here it was discovered that the French

wines were allowed to come into Canada at 15 cents a gallon, whereas there was an excise tax of 30 cents charged on the home product, and of course that was something that could not be very well fixed up. The only way it could be arranged was by cutting off 22½ cents and that was done. In other words, on an article that could well afford to pay it, this government lost 22½ cents a gallon of revenue. That cost us another $120,000, making the grand total loss under the French treaty $1,584,000. That is not all, because there are a lot of treaty nations. There are nine treaty nations that are ready to take advantage of that treaty, and the sorry thing about it is that the loss occurs on articles that could well afford to pay the tariff—pure luxuries, such as velvets and velveteens, plushes and lace, lace collars and ribbons, silk fabrics and blouses and shirtwaists, furs, embroidery, perfume, cosmetics and toilet preparations, china and porcelains,—a bunch of articles that are used by the artisans and farmers of this country, not to speak of the wines, brandies, champagnes and cigarettes —a million and a half thrown away by an economical government which does not hesitate to spend another million and a half on an uneconomic proposition in London, and upon the Scribe hotel in Paris. A minister of the Crown gets up this afternoon and gives us a long tirade about the tremendous struggle the members of the cabinet have had to stop each other from spending, and to stop the deputy ministers from spending for them, because of the economy they wanted to practise.

Now, Mr. Speaker, I have shown you the loss in revenue on the articles coming into Canada. I desire to give the other side of the story also and to show exactly what we have had out of the treaty. Unless I tell the whole story I might be accused of keeping something back.

9 p.m.

Sir HENRY DRAYTON: What was the estimate as to the loss?

Mr. CHAPLIN: The Minister of Finance last year estimated the loss at between $500,000 and $800,000. My calculations are based upon the ten-month period ending at the close of January, 1924, and the calculations in regard to the French treaty are of the same dates. The exports of Canada to France for these ten months were, in round figures, $15,400,000 while our importations from that country amounted to $13,100,000, leaving a balance in our favour of $2,300,000 for that period. The principal items that comprised that $15,000,000 were wheat, sugar, pulp, including sulphite and mechanical pulp, agricultural implements, lobsters, salmon, pig lead, ore, asbestos, coal, tar and rubber goods. There are a number of smaller items which I shall not weary the House by detailing; I am not omitting them for any other reason than that I do not wish to delay the House. These however are the most important items. During this period that I have stated France took from us, in wheat, $6,400,000, in sugar $1,600,000; pulp, sulphite and mechanical, $1,467,000; pig lead, $266,000; ore, $115,000; asbestos, $378,000; coal, $50,000; tar, $350,000; agricultural implements, $1,600,000; rubber goods, $400,000; lobsters, $400,000; and canned salmon, $1,200,000. This makes a total of something over $14,000,000 out of the $15,000,000, leaving out odds and ends in other items which are too small to mention. In respect to wheat and sugar no change was made in the French treaty and we obtained no advantage in wheat. We had last year under the treaty the same advantage that we enjoyed before; and the same is true of sugar, of pulp, of lobsters, of pig lead, of ore, asbestos, coal and tar. There were only two items in the list in regard to which we derived any advantage, these being agricultural implements and rubber goods. I must say that we got a real advantage in agricultural implements, and at the time I noticed this I said that some of our manufacturers would benefit.

Mr. McMASTER: What was the increase in agricultural implements over the year before?

Mr. CHAPLIN: There was an increase of $800,000. Let us take the item of salmon. It will be remembered that when I criticised the treaty last year my complaint in regard to canned salmon was that although we were selling them a good deal of salmon the gentlemen who had made the treaty came back with an increased duty on this commodity, and I asked the question whether it was feared that we were selling too much fish to France. The result, at any rate, was a loss in salmon and lobster equal to the gain which we derived in agricultural implements. In other words, we lost on salmon and lobster $800,000. It will be observed that these various items that I have indicated, such as wheat, sugar, pulp, pig lead, ore, asbestos, coal and tar, are all purely raw materials; and my complaint against the French treaty was that quite evidently France did not want to buy from us any manufactured products or any article that had any finish on it. They bought, as I have stated $6,400,000 worth of wheat. But

Germany takes $6,000,000 worth of flour; and Germany to that extent is a better customer. Now, I am not making any apology for Germany, but I am ready to trade with everybody on an absolutely fair basis. And that is the remark I made in regard to the United States a few minutes ago: let us trade on a fair basis which will give us a show. Last year we shipped to France, of wheat, 5,665,000 bushels; to Belgium, 9,232,000 bushels; to Italy, 13,451,000 bushels.

The Minister of Finance the other day took a good deal of pains to inform us that Canada had a favourable trade balance. We are all glad to know that, and it is a good thing that we should have such a balance. Indeed, one of our troubles is that we have been buying too much; and if we bought a little less it would, I think, be better for some of us. Let me point out to the minister that—leaving Britain and the United States out of consideration for the moment—Italy shows the best trade balance with us of any of the European nations. The favourable trade balance with her is $16,000,000; Japan, among the smaller nations, comes next with $14,000,000; Belgium, $9,000,000; Germany, $7,000,000; the Netherlands, $3,600,000 and France $2,300,000. I am not blaming France for this; I am blaming our ministers. It is with the government that the responsibility rests. France made a good treaty; we did not; and that is the whole matter. There is no use in trying to evade that fact, because it cannot be denied; and our arrangement with them is not going to work in any other way than to our disadvantage. I took the trouble to criticise the treaty last year, running the risk of being wrong; but the truth of what I said at that time has been demonstrated. Let me give further particulars as to how the treaty has worked out. To begin with, the treaty gives to France the right to have a fixed duty on a considerable list of goods; and if we wanted to change the tariff to-morrow we could not do so, so far as these articles are concerned. The queer thing about it is that some of the very goods on which they have a fixed duty are covered by the treaty. But do you suppose, Mr. Speaker, that the rates of duty on French goods entering France are the same as our rates of duty on French goods entering Canada? Naturally one would think that in such a treaty the rates of duty would be the same; but they are not. Take, for instance, canned vegetables. When the treaty was made—of course, I must offer this explantation because the franc has changed somewhat in value in the interval—canned vegetables could enter Canada at a cent a pound,

and our exports to France were subject to a duty of $1.70 per hundred pounds, or 1¾ cents a pound. Again, automobiles and similar articles come in here at a duty of 25 per cent, but when we send them to France they are subject to a duty of 35 per cent. And this is called a treaty!

Now, let me trace the history of the canned vegetable trade to show how the trade has worked out under this treaty. My calculations are based for the ten months ending January in each year. In 1923 we sold to France 1,394,000 pounds of canned vegetables, and in 1924 only 21,000 pounds; during the same period last year they sold us 381,000 pounds. Before the treaty was made the French duty was 47 francs per 100 kilogrammes; by the treaty this was raised to 54 francs. I figure the franc at the date of the treaty to have been worth about 6¾ cents. The duty on our canned vegetables going into France is 1¾ cents a pound, while on the French commodity entering Canada our duty is a cent a pound. That is how the treaty has worked out on this commodity. Then take canned fruits. They sold us 16,000 pounds in 1923, and in 1924 they had increased that quantity to 165,000 pounds, while we sold them nothing. In fact their minimum tariff duty was too high for us to do business on. Then take condensed milk. For the ten months to January 1922, we sold France $568,000 of canned milk, and early in the spring of 1923, before the treaty came into force, we sold them $118,000 more. Since the treaty has been in effect,—five months,—we have sold them only $1,325 worth. The duty on condensed milk was raised 50 per cent. At the time I asked the minister whether they wanted to stop us from doing business with France. Now hon. members see the result. Take the case of butter. The Minister of Justice is not in his seat to-night, and I cannot blame him for the way our trade has been affected by this treaty, but he had something to say last session about butter. He told the House that the idea was to sell fresh butter to France. I was glad to get the information. He also informed the House that:

> The Quebec government had made a contract with a firm in Belgium for 20,000 boxes of butter at 60 pounds to the box. The hon. gentleman can figure how much that amounts to.

Well, I have figured that it amounts to a very considerable quantity—1,200,000 pounds. Of course, I was very glad to get the information. But on looking up the trade returns to date I am surprised to find that during the ten months we shipped to Belgium only 266,000 pounds of butter. I wonder where the other million pounds have melted. Per-

haps the contract referred to may have been merely an option, or an agreement of sale. However, I cannot blame the minister for that. He said he did the best he could and wanted to sell our butter to France. The truth is that we have not sold France one single pound of butter. As to cattle, our sales have decreased about two-thirds. We sold to France some oatmeal before the treaty came into effect; that trade is gone. We sold her some oats; that business is gone. We sold her some clover seed; that business has decreased. We sold her some hay; that business has decreased also. We sold her some canned lobster, to which I have already referred; that trade is cut in half, from $708,000 to $402,000. Our exports of agricultural implements to France have increased by $800,000. But our export of canned salmon has decreased $500,000. Our export business in auto parts has decreased somewhat, but the loss is not worth troubling about.

It will be remembered that when this treaty was before the House for ratification we found it contained a long list of about two hundred chemical products, the names of which no one knew the meaning of, but a few of these were picked out as being especially interesting to Canadian shippers. They are as follows: sulphate of ammonia, crude, calcium carbide, formic aldehyde, trioximethylene, acetone, acetic acid, acetate of sodium. The gentlemen who got this list up evidently were ashamed of the long list of 200 articles, so they kept it out of the book of particulars and just left these few in. I have looked carefully over the list and I cannot find one of the articles in the index of trade returns, which shows that so far as we know there have been no exports. Of these ten items that are important to Canadian trade, not one dollar's worth goes out to France.

For the benefit of some hon. members who have probably never seen a copy of the American tariff I would like to read a few words that appear on the front page of the 1922 tariff, as showing what some people who make tariffs somewhere have in their minds. I quote:

> To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

We can all have our own ideas as to what the "other purposes" are. We have met those other purposes here; we see them in the placing by the United States of a rate of 42 cents on wheat, a rate of 8 cents a dozen on eggs against our 3, a rate of 8 cents a pound on butter against our 3—and we have not the nerve, or have not a government with the nerve, to meet them.

The Minister of the Interior (Mr. Stewart) gave us yesterday a very glowing picture of the wonderful strides that Canada made during that halcyon period between 1896 and 1911. He was so much interested, however, in his well prepared speech that he did not want to have anybody interrupt him to ask a question. I tried to get his attention, but no, he would not listen to anybody. I hope we shall not have any more of these prepared speeches, because you cannot get a chance to say a word to a man. However, we had a very fine speech—a well written speech. The hon. gentleman described in a pitiful way the state of this country from 1878, when that terrible Tory government came into power and put the National Policy into effect. Well, I can tell that minister that I passed through that period. I was in Ontario all the time and I can tell him—and I defy any person in the House or out of it to deny it—that this country in its whole history never passed through a worse period than the years immediately prior to 1878. I have no quarrel with what he says about the period between 1896 and 1911—not at all. I may differ from him, however, as to the reason why the conditions were better then. If the Liberal party in those days had carried out their pledges they would not be able now to talk about that as a halcyon period. I would like to have asked the minister—I do not see him yet—what he considered a high protectionist policy. I would like to know what he thinks a high protectionist tariff is. I would like to ask any of the ministers what they consider a high tariff—25 per cent? 30 per cent, or something of that kind? I would not, however, expect any of them to answer. The Minister of the Interior forgot that the high protectionist party was in power at the time. We have a book of trade returns published by the authority of the Minister of Trade and Commerce (Mr. Low) and on pages 10 and 11 a list is given of import and export returns with respect to articles that are free and also, shown separately, to articles that bear duties. This table indicates to a hair's breadth what tariff was collected on the articles subject to duty, and the information goes back to 1868. And what do we find? That the period between 1896 and 1911 was characterized by the highest average tariff for a period of that length in the whole history of Canada. Now I am not quarrelling with that, I approve of it; I am not finding any fault. But when a minister gets up and says, "Why, we put into effect a tariff policy that built up this

country," I want to let him know what they were doing at that time; he must have been asleep. This country was built up on a policy that the Liberals grabbed when they came into power and that they hung on to until they went out, and they went out of power because they insisted on bringing in reciprocity. That is what put them out of the game.

The Minister of the Interior further said, "Why, we are making a tariff for five and a half million people; we are making a tariff for the bulk of the people of this country; we are reducing the tariff so that these people can be relieved of their burden," Well, what is the relief afforded? It is on an article like agricultural implements, where the reduction is from 10 to 6 per cent. If the proposal is really an honest one, why do the government not reduce the duty on an article that the whole nine million people of our country consume? If they want to reach out and do the greatest good to the greatest number, why do they not reduce the duty on boots and shoes which we all wear?

Some hon. MEMBERS: Hear, hear.

Mr. CHAPLIN: I do not want anybody to misunderstand me—I am simply asking the question. I am not in favour of that; not at all, and I would not vote for it. But if my hon. friends opposite are sincere in what they are doing they will put it into effect, and so will the gentlemen to my left who are supporting this government. To them I say, no longer are you the dilapidated annex; you are the overflow, I repeat, if the principle is sound put it into effect where nine millions of people will get the benefit, and not three and a half or four millions. Why reduce the tariff on an article where the duty is already low, ten per cent, when you can go after an article with a duty of twenty-five or thirty per cent, and effect something substantial by a reduction?

Some hon. MEMBER: Furniture.

Mr. CHAPLIN: Furniture; you might reduce the duty on that.

Mr. ARCHAMBAULT: Axes.

Mr. CHAPLIN: The Minister of Trade and Commerce last year told us that we were exporting lots of bronze powder. I never found it yet in the trade returns, I can tell him that. It is not in this year, and it was not in last. I have looked through the returns for ten years, and I find that the article never was exported in ten years. It has got lost. Bronze powder! Let me say in reference to bronze powder that the duty is 27½ per cent. Bronze powder is used in the finishing of those axes that the hon. member for Chambly and Verchères (Mr. Archambault) mentions. It is also used in the finishing of spades and shovels and some agricultural machines that have all been reduced in duty; but I do not find bronze powder on the cut list. The duty still stays at 27½ per cent. Why? It is made in the constituency of the Acting Minister of Customs.

Mr. BUREAU: Who is the Acting Minister of Customs?

Mr. CHAPLIN: I beg pardon; the Acting Minister of Finance (Mr. Robb). I would venture the opinion, though, without having looked into it, that there is no considerable industry in the constituency represented by the hon. member who has just spoken that is touched by any reduction.

The Minister of the Interior (Mr. Stewart) said yesterday that the tariff was responsible for cast-iron labour organizations. I would suggest that he get in touch with the Minister of Labour (Mr. Murdock) and find out just what that means. I never heard of a cast-iron labour organization. Perhaps the Minister of Labour could tell us something about it. I would also suggest that Great Britain, which is practically a free trade country, at least it is always referred to by members to my left and by some hon. gentlemen on the other side as being free trade, has its labour troubles. I would venture the opinion that they have more labour troubles in Great Britain than we have. I would venture the further opinion, and I think the Minister of Labour will confirm it, that they have, if anything, more cast-iron labour organizations than we have. I do not know just what the Minister of the Interior meant by cast-iron organizations; I do not know whether it was a derogatory term or not; but certainly it would not mean an organization that was malleable or elastic.

The hon. minister also said that tariffs developed mergers. I would like to know if it has not been proved here time and again that Great Britain is not free from mergers. I will venture the opinion that for every merger that can be named in this country taking into account the fact that Great Britain has probably five times the population we have, you will find ten mergers in Britain. There may be some here; there used to be, so we were told, but the Minister of Labour got a bill through the House to hold them in order. He had the act amended this year,

but I have not heard of any prosecutions under that act. I have not heard of anybody being hauled before a tribunal to account for some wrong doing.

Mr. ARCHAMBAULT: Good government.

Mr. MEIGHEN: Good government leaves them alone.

Mr. CHAPLIN: I wish to refer now to a short article I saw in a Toronto paper the other day in reference to the cut in duty on agricultural implements. The statement is contained in an interview with a gentleman in Toronto representing the J. I. Case Threshing Machine Company, and he is represented as saying that he thought the tariff would be beneficial and that it would stimulate trade. On my way through Toronto over the week-end I dropped off to take a look at the outfit, and I found that this man was truly the representative of the J. I. Case Threshing Machine Company from Racine, Wisconsin, that they had a warehouse in Toronto, and that they were not manufacturing a dollar's worth of goods there. So I presume that when he said the reduction in duty would stimulate business, he meant stimulate business in the United States. That is what this government is doing, stimulating business in the United States. Here is what the Acting Minister of Finance (Mr. Robb) said the other day after he had delivered his budget, and I must compliment him on the way he delivered it, on the short time in which he took to present it, and the ease with which he handled the subject. He said:

> We shall have factories running full time and tradesmen working over time to supply the needs of those who will have money to buy.

I would like to ask this question, Mr. Speaker: What has helped to bring about stagnation and lack of employment in this country and the exodus from Ontario and Quebec?

Mr. CALDWELL: The high tariff.

Mr. CHAPLIN: No, I will tell you. It is the importation of $100,000,000 of goods that should have been made in our own factories; and the Acting Minister of Finance proposes in the face of the experience that we have had, to reduce the duties a little more in order to put a few more people out of employment! This new wizard of finance by some legerdemain hitherto unknown proposes to still further reduce the tariff to increase our imports and thus provide employment for an additional number of industrial workers! I would rather believe the stories I heard when I was a boy taken from Gulliver's Travels, the Arabian Nights Entertainment and Baron Munchausen, than take the thoughtful word of the Acting Minister of Finance in this matter.

Mr. FRANK S. CAHILL (Pontiac): For the first time in my parliamentary experience a budget has been presented to this House which I will have very much pleasure in supporting. The budgets of last year and the year before were in the right direction, but the present budget is a real accomplishment for the Prime Minister and the Liberal party, and something that I believe will meet with the general approval of the tax payers of the Dominion. It does not meet with the approval of hon. gentlemen directly opposite.

Mr. MEIGHEN: Hear, hear.

Mr. CAHILL: The leader of the opposition says "hear, hear" and the hon. member for West York (Sir Henry Drayton) smiles in co-operation with his leader. Nevertheless these hon. gentlemen do admit that this year's budget clearly draws a line between those who preach the principle of protection and those who are in favour of allowing the Canadian people to get their goods at the lowest possible prices.

Mr. MEIGHEN: I wish it did.

Mr. CAHILL: They at last admit the fighting ground is now clearly defined, and I am glad of it. I am glad that the line of cleavage between us is distinct and well defined, and that we have a platform upon which we can fight and appeal with confidence to the public. I am one of those who believe with Aristotle when he said "One man's privilege ends where the other man's rights begin." Hon. gentlemen opposite are the party of the privileged classes. We of the rest of the House are the supporters of the idea that every man should stand in an equal position before the government of the country. The ex-Minister of Finance when he was speaking on the budget the other day talked of paying due regard to the labouring interests and the interests of the producers of Canada. But what would happen if the producers of the Dominion were to come and ask the protectionist manufacturers of the country—those who are now enjoying the benefit of a protective tariff—to bonus the farmer for every head of live stock or every bushel of wheat he produced. What a howl would go up if such a request were preferred, and yet that is exactly the kind of claim my hon. friends opposite are advancing at the present time. My hon. friends make no attempt to disguise the nature of their request.

They are quite frank in asking on behalf of the protected interests to be allowed to coin profits from the tax payers of this country. I remember reading when Mussolini came into power in Italy that one of his first acts was to banish the professional beggars from Rome. If Mussolini were in this country to-day one of his first acts would be to banish the class of supplicants to which I refer. I have no quarrel with those who honestly believe that protection is a good thing. Doubtless there are many in this country who hold that view; but if I were to make profits from an industry in this country that could only exist under a system of protection I should consider myself dishonest. I should not consider I was getting my money honestly if I could not make a living out of an enterprise capable of standing on its own footing without the slightest assistance from the tax payers of this country. I am satisfied that many manufacturers do not view the question in that light, that even the leader of the opposition does not take that view, but that is the way it appeals to me. If a manufacturer cannot conduct his business without it being bolstered up by the money of the tax payers it is a case of others submitting to taxation for his benefit, and that is certainly not right conduct on the part of a citizen of any country.

The hon. member for West York referred to the labouring man in the Maritime provinces and to the wheat grower in the West. Take the case of a fisherman returning from the Grand banks to his home in Lunenburg with a cargo of fish. What would he think if, after going into the Boston market and selling his fish there, he had to give a portion of his gain from that sale to bolster up a plough manufacturer in Hamilton or some other place in Ontario. What benefit to the fisherman of the Maritime provinces would there be in such a policy as that? Or what encouragement or profit can a farmer who is growing wheat in Alberta and shipping it to Vancouver and from there to Liverpool derive from the fact that he had to pay a few more dollars for a binder in order to give protection to a manufacturer in Toronto or elsewhere in Canada? Such an argument is not reasonable or sound. It is a fact that the customs duties in the past have been regarded as an easy way of collecting taxation.

Mr. MEIGHEN: You might try boots and shoes for another illustration.

Mr. McMASTER: One is always thinking of one's feet.

Mr. CAHILL: I should be quite willing to have a reduction in the duty on boots and shoes, I hope it will come. I believe the people in this country will support that reduction when it does come. The provisions of this budget are not the last word in the matter of tariff reduction. I am not like my right hon. friend who attempts to preach against the government on the ground that they have reduced the tariff too much, and then takes the other tack that the reductions made are not going to help the consumer.

Mr. MEIGHEN: What does my hon. friend say?

Mr. CAHILL: I say that my right hon. friend always tries to take both sides of the question. He preaches that the tariff reductions are not going to benefit the consumer at all and argues in the same breath that industries will be injured. His supporters argue in the same fashion. The hon. member who has just taken his seat (Mr. Chaplin) deplored the fact that duties to the extent of something like a million and a half of dollars were cut off certain imports to this country as if that were not a decided gain to the consumers of Canada. The day when a Tory is not taxing some person is looked upon by hon. gentlemen opposite as a lost day.

My hon. friends are attempting to make a great cry out of the fact that there is an emigration movement from this country. It is true that a great many people have left Canada, but that was largely on account of the huge and extravagant expenditures of previous governments. They felt that they were going to be taxed and taxed heavily, and in order to avoid it they left the country. The income tax is not conducive to good business, many of the taxes in force at the present time are not helpful to industries, but hon. gentlemen opposite left such a tremendous debt that taxation had to be resorted to. They talk about the expenditures for the war. Why after the war was over they spent money with a free hand. They built a merchant marine at a cost of some sixty or seventy million dollars. They made loans to Roumania and other European countries. We told them at the time that they might never expect to get a cent of it back, and they have not. They went on expending money in that way, and they are now criticizing the government for not reducing taxation, balancing the budget the first year after they came into power, or doing all kinds of things they never expected or hoped to do or never attempted to do when they were collecting the taxation during the time of inflated business in the war period and the immediate period after the war.

Mr. MEIGHEN: Does the hon. gentleman not remember—I think he was in the House at the time—when the present Minister of Railways (Mr. Graham) warned us that we were taxing too highly?

Mr. CAHILL: My recollection is that the present Minister of Railways was not in the House from 1917 to 1921.

Mr. MEIGHEN: Yes, but the war was on before 1917. My hon. friend will find, if he will look up the record, that in the year 1917 he was not alone in that warning to the government. This last tale of woe is a very recent edition. In those days the warning came very frequently that we were too severe and that we were taxing business too heavily.

Mr. CAHILL: I only came into the House in 1917 and I do not recollect any advice of that kind to the government from my side of the House after 1917. I think the general consensus of opinion then was that the government was spending money with too free a hand and not collecting enough taxation. During my experience as a member of the opposition, we were asking the government to collect heavier taxes from the profiteers; we said that they were allowing them to escape and that they should bear a part of the burden of the war by taxation during that time.

Mr. MEIGHEN: That is quite true. I do not want to be misunderstood. A vague cry to collect from the profiteers always went up, but whenever a concrete tax came down to be voted on the cry was the other way.

Mr. CAHILL: My hon. friend will have the last word on every subject. It would be useless for me to attempt to argue with him, but the fact remains that during that period they were spending money as if the leaves of the trees were dollars and they owned the forests of the world; and they were taxing as if the trees were rosebuds and they should not touch them. During all that period they failed to collect the taxes that would have lightened the burdens of the taxpayers to-day. The same thing applied previous to 1896. We had an exodus from this country during that period. After the Liberal administration came into power in 1896 and got going for two or three years, conditions changed and people began to come back to the country instead of leaving it. I expect we will have the same result from the administration of this government. I feel confident that in three or four years we will begin to forget all about our tax troubles of to-day or our huge debt, because people will be coming in and prosperity will be returning, under an administration that allows something of equality to the consumer and producer of the country, as against my hon. friend's special privileged friends that he is so interested in looking after.

Mr. MEIGHEN: What ones?

Mr. CAHILL: The manufacturers.

Mr. MEIGHEN: Of implements?

Mr. CAHILL: Of implements and of shoes.

Mr. MEIGHEN: I cannot speak as to boots and shoes. The hon. Minister of Justice (Mr. Lapointe) will do that. As to the manufacturers of implements, my hon. friend's colleague told us a few days ago they lost over two million dollars in one concern in the last two years.

Mr. CAHILL: The hon. ex-Minister of Finance (Sir Henry Drayton) told the House that this budget was prepared for the purpose of catching the Progressive vote.

Mr. MEIGHEN: Hear, hear.

Mr. CAHILL: My right hon. friend says "hear, hear." I remember he applauded that idea. It also catches the votes on this side of the House, and it will probably catch a vote of a majority in the neighbourhood of a hundred over my hon. friend's party. If we should go to the country, and if the members of the Progressive party and the members on this side of the House are good judges of the feelings of their constituents and their desires it should catch the same proportion in the country. That is the quarrel my hon. friend has with the budget. It is not what he wants; far from it. But he will hope to succeed with the assistance of practically all the great organizations of this country at his back, because he will practically have the railway corporation, the banking institutions, the press of the country and all the special interests and specially priviliged people at his back, trying to fool the electors of this country again as they did in 1911. But it will probably take the people a few years yet to forget, and they will not have forgotten by the time the next election takes place, nor is it likely they will forget the administration of my right hon. friend till doomsday. After the election of 1896 the Liberal party remained in power for fifteen years, and it is probable that their present tenure of office will be longer than that.

It is wise for the government to practise economy. I do not believe in a government attempting to do all the business of a country. I think the government should practise

economy in their expenditure and reduce taxation as much as possible, in order to allow business to develop. The people will take care of the business enterprises if the government will look after purely governmental matters. I am tempted to quote from Macaulay a few words which appealed to me as one of the best political platforms for the Liberal party that I know of. He said:

> Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment; by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the state.' Let the government do this; the people will assuredly do the rest.

If my hon. friend the leader of the opposition and his party had followed that policy this country to-day would not be loaded with responsibility with which they are burdened. Far from it. We would have been in a much better position, and the country would have been back to that condition of prosperity which it enjoyed during the time of the previous Liberal administration, when the party tried to leave private business in the hands of private corporations. That, after all, is the best policy for any country, especially a young country.

10 p.m.

I do not think the exodus from Canada to the United States is altogether due to the high taxation that has been necessary for the last year or two. I think our banking system is organized on a wrong basis for the development of this country. I hope we will be able to work out something in the Banking and Commerce committee that will give us a better banking system for the people. The present system is merely one for gathering, in numerous branches throughout the country, moneys to be devoted to investments at the head offices, which happen to be in the cities of Montreal and Toronto. This system does not make for a balanced development of the country. I believe that has as much to do with people leaving the country as has the tariff.

Another thing that I believe will have to be adjusted before we get any great volume of immigrants to this country is our naturalization policy. The principle of an immigrant's forswearing allegiance to his former state and swearing allegiance to the government of the country of his adoption is a relic of European conditions under which it was necessary for a man to pledge himself during his lifetime to fight the battles of the country into which he moved. For example, if a man moved from Belgium to France, or from France to Germany, the government naturally expected him to forswear his allegiance to his native country, because he would be required to shoulder arms in the near future in defence of his adopted land. That is absolutely unnecessary in this country. I think that we should have a simple system whereby an immigrant would declare his allegiance to Canada without being obliged to do something that is so distasteful to many people who come here. Forswearing one's allegiance is something that has no particular significance to the native-born Canadian inasmuch as he is never called upon to comply with any such painful obligation; but it does mean a great deal indeed to the immigrant who comes here. Something therefore should be done in this direction to facilitate the entry of immigrants into Canada.

In conclusion, I would observe that the budget is one that lends encouragement to the country generally, and I believe that it has been accepted throughout the length and breadth of the land. And if by any chance the government should deem it necessary to go to the country at this time I am convinced that they would come back very much stronger than they are to-day and much stronger than both of the parties combined who are expected to support the budget that is at present under consideration.

Mr. HUBBS: I wish to move the adjournment of the debate, Mr. Speaker. Before I do so, however, I want to compliment the Acting Minister of Finance (Mr. Robb) on the presentation of his first budget to the people of Canada.

Mr. MARCIL (Bonaventure): I understood, Mr. Speaker, that the arrangement was that I should speak on the budget to-night. Evidently there has been a misunderstanding, and I would ask the hon. member to withdraw his motion.

Mr. HUBBS: I have no objection to doing so; I withdraw the motion.

Hon. CHARLES MARCIL (Bonaventure): In common with you, Mr. Speaker, and every other hon. member of this House, I regret that on the present occasion I have not had the pleasure of listening to the Minister of Finance himself (Mr. Fielding) in the delivery of the budget speech. It has been my good fortune to have listened to, and supported by my vote in this House, thirteen of the seventeen budget speeches that have been delivered by that hon. gentleman, and while I shall not attempt to eulogize him in the presence of hon. members who have seen him

discharge his responsible duties as Minister of Finance in this House, I do desire to say a word or two in regard to my own personal experience with him. I had the pleasure of being in that part of Canada where he is best known, having had an opportunity at two general elections, in 1908 and 1911, of accompanying the Minister of Finance through the Maritime provinces where I witnessed the prestige and general confidence which he inspired in these three provinces by the sea. His record as provincial premier was behind him and his work as Minister of Finance in Canada was then meeting with success, to the general satisfaction and advantage of this country. I hope that Providence will spare him to return to us to continue the good work that he has done; for a man who has given forty years of his life to the service of his country cannot easily be dispensed with without a great loss all round.

It was also my good fortune to hear, with pleasure and approval, the present budget speech delivered by the Acting Minister of Finance (Mr. Robb). I have known the Acting Minister of Finance for some time; he represents the combined constituencies of Chateauguay-Huntingdon, an ideal combination of English-speaking and French-speaking Canadians. These constituencies have been represented in this House in the past by some distinguished men, to mention only the late Hon. Mr. Holton and Mr. Julius Scriver, two of the most distinguished members of the Liberal party hailing from the province of Quebec in the old days. The Acting Minister of Finance has worthily stepped into their place and is performing his duties in his present responsible position quite satisfactorily. As a man who has listened to various speeches in this House during many years, I wish to congratulate him on his performance, and more particularly on the brevity of his speech; and I hope that in the budget speech of this year a record has been established which public men in Canada will emulate. The shorter a speech is the more effective it becomes. For many years in Great Britain, in the mother of parliaments, the budget speech has invariably been delivered in about an hour, and some of the greatest orations of Gladstone and other eminent statesmen have been delivered within that space of time. I trust that the example which the hon. the Acting Minister has set will be followed by all; and with that end in view I do not intend to speak at great length this evening. I think it is my duty however, both to my constituents and to the people of the country at large, that I should refer to the budget to some extent. The keynote of the budget is, in a few words, the development of Canadian basic industries. The concluding paragraph of the speech of the Acting Minister of Finance defines the policy of the present government, which I know will have the support of the immense majority in this House and the equally immense majority of the country on the first occasion that presents itself for the demonstration of the confidence of the people in the administration. The words of the Acting Minister to which I refer are:

> Whatever division of opinion Canadians may have, surely we share a united confidence in the future of our country. We have great natural resources. We have certain basic industries, upon the success of which depend the growth of all other industries, the greater development of our trade. Of these basic industries, I would place agriculture, in all its varied branches, first. Next to agriculture, I would place our forests, our minerals and our fisheries. A real national policy is a policy that will encourage the growth and development of these basic industries. 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 will have money to buy. In that belief, Sir, we submit to-day proposals to lighten the burden of taxation on these primary, basic industries. Our budget shows a reduction in debt of $30,000,000 last year, and a reduction in 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.

I regret having had to read an extract from a speech that is still so fresh in the minds of all hon. gentlemen, but I have done so because it epitomises in a few lines the precise policy of the present administration which, as far as I understand, is in keeping with the policy of the Liberal party as enunciated in convention in 1919. The four foundation stones of national prosperity are agriculture, the forests, the fisheries and the mines; and without the prosperity of these four great branches of industry no prosperity is possible in any other direction. We may venture to foster and to encourage the manufacture of anything under the sun, and we may attempt to compete with the Americans, with the French, with the English or with any other manufacturing nation. But we shall never attain success in any branch of manufacturing unless these four basic industries are prosperous in this country.

The hon. minister has faced a problem that was well-nigh overwhelming. Older members of this House and you, Mr. Speaker, will

remember when we had to gather but $18,000,000 a year to meet the interest charges on a public debt of only $350,000,000. That is long, long since. Now we have to face conditions that are almost overwhelming compared with what they were in the old days. But the Canadian people are equal to the task. They have already accomplished what has never been surpassed by any other nation in the world. Therefore I am confident that with the working out of this policy and with proper legislative encouragement which will keep our people at home and attract newcomers—immigrants who will be willing to share our burdens and to abide by our laws and constitution, thus becoming good Canadians—the future of Canada is as bright as it ever was. In fact the position of this country is to-day the best in the world, for we are free from many of the disturbing questions which trouble many other countries, and which we hope will never arise here. As Canadians, regardless of provincial boundaries, come together and get to know each other better, so will all our difficulties be overcome, and we shall be able to build up on this North American continent a nation of which we and our descendants may be truly proud.

The Acting Minister of Finance is a Scotsman in origin, and therefore a very prudent man in dealing with money matters. After giving us this great relief of decreasing our public debt to the extent of $30,000,000 and reducing our taxation by $24,000,000, he turned to the fiscal year 1924-25 and said:

> I come now to the fiscal year 1924-25. Estimates of revenue for the year upon which we have just entered cannot be made with any degree of accuracy. The revenue we would receive on the present basis of taxation would be materially affected by reductions in taxes which, in view of the most satisfactory out-come of the year just closed, it is proposed to submit to parliament. It is hoped, however, to offset any considerable reduction in the revenue by a most rigid economy in expenditures. The estimates now before the House show a very substantial reduction as compared with the estimates of last year. We shall no doubt have supplementaries, but rigid economy will be exercised in their preparation; and in this the government hopes for and expects co-operation from all sections of Canada.

For my part, Mr. Speaker, I am willing by speech and by vote to support any proposal that will tend to do away with waste and extravagance. But there is such a thing as productive expenditure, and I am going to call the attention of the government and the House to an expenditure of this class, not because it happens to be in my own constituency, for I am sure there must be many similar cases in the rest of the Dominion, but because such productive expenditure is necessary to help us meet our obligations. There is no doubt that we must increase our population, and the most effective way to do so is to keep our people at home; this means that we must give them employment; to give them employment we must develop our resources, and to develop our resources the public moneys have on certain occasions to be brought into profitable and effective use. There are in my constituency, Mr. Speaker, as you are aware, large timber limits covering thousands of square miles. The country is barely developed, but on the seashore there is considerable settlement. In the centre of my constituency the Bathurst Lumber Company own five hundred square miles of timber limits formerly the property of Lieutenant Governor Robitaille. The outlet for these limits is on the Bonaventure river, practically half-way between Gaspe and Campbellton, the only deep water ports we have on the bay of Chaleur. In the old days the company had at its head the late Senator Edwards and other capitalists of these parts who established mills at Bonaventure and New Richmond, giving employment to several hundred men. For more than ten years under very trying circumstances they operated the mills but what with defective railway facilities, due to shortage of motive power and rolling stock, and lack of any deep water port on a shore line of 200 miles, they finally had to close them down. As a result the population of Bonaventure has decreased by eight hundred, and the mayor writes me that fifty families are preparing to leave in the spring for other parts of Canada or for the United States. There has been an exodus from Gaspe and Bonaventure, largely owing to the fact that we have lost our industries for want of effective means of transportation by rail and by water. The Bathurst Lumber Company, as my friends from the Maritime provinces know, is one of the soundest and most enterprising corporations in that part of the Dominion. At the present time they have a large industry at Bathurst, and to keep it in operation they have to cut their timber in Bonaventure and raft it 25 miles across the bay of Chaleur to Bathurst, where they are served by the Intercolonial railway. Consequently the people of my constituency lose the work of converting the timber into lumber, and have to go away to seek work, while our farmers are deprived of any home market and agriculture is decreasing every year.

What has happened to the Bathurst Lumber Company has also happened to the Province of Quebec Lumber Association, which owns large timber limits in the county. They moved across the bay to Dalhousie, and they are

rafting their timber over to this mill, with the result that the men living in the vicinity of the timber limits are left without employment. In the county which you, Mr. Speaker, have the honour to represent we have a large pulp mill at Chandler which was erected some years ago by capitalists from Philadelphia, but to-day it is owned largely by Canadians. They have to export their product down to Gaspe to find a deep water terminus, having no shipping facilities of any kind, and therefore the place is seriously handicapped.

With your permission, Mr. Speaker, and that of the House, I wish to lay these concrete proposals before the government as they have already been laid before the hon. Minister of Public Works (Mr. King) by the Bathurst Lumber Company. The directors of that company say: Give us increased harbour facilities at Bonaventure. It will cost you $200,000 according to the estimates of last year. It will take at least four years to spend that sum of money, but if the government are prepared to do that, we are prepared to spend $300,000 on our own part, and the result will be the building up of an industry that will employ three or four hundred men. In order that the matter may be better understood I would like to have the privilege of reading a letter sent by Mr. McLean, president of the company, to the hon. Minister of Public Works (Mr. King). It reads as follows:

August 14, 1923.

Dear Mr. King:—

The people of Bonaventure, Quebec, have been requesting us for some time to start an industry at Bonaventure for manufacturing at least a portion of the timber that we are now cutting on the Gaspe peninsula at that point and we had a meeting there two weeks ago at which a very large number of the residents of Bonaventure were present and resolutions were passed at this meeting, copies of which I understand the Hon. Chas. Marcil has forwarded to you. The position is as follows: We are prepared to put in a good, substantial plant there for manufacturing providing we can obtain the necessary facilities to make a success of our enterprise, and in order to do this it will be necessary that we should have a protected harbour and dredging done so that sea-going vessels could go into the harbour and lie in safe protection. In addition to this, of course, we will have to have railway facilities but this is something that we can easily arrange outside of the harbour improvements required. We have agreed with the people of Bonaventure that we will proceed to put in this plant providing they can succeed in getting their harbour improvements made, and as they are desirous of having this done at the earliest possible moment in order that our construction work may begin there, we wish to add our plea for this work being done. Under the circumstances if you could arrange to have a survey made and ascertain what is necessary to make this a good shipping port where vessels could take cargo on or discharge cargo during a period of seven or eight months of the year, we would like very much to see this survey made. You probably know that Bonaventure is about half way between Matapedia and Gaspe and it is the only available port on that whole coast where a deep water harbour is possible and as it so centrally located and also is at the mouth of the important Bonaventure river, where there are large quantities of wood, there is no reason why this could not be made a very important shipping port for that whole coast as well as a point where materials of all kinds could go in and be loaded on board cars for distribution to that whole district. We simply want to add our request to that of the people of Bonaventure to have this work done at as early a date as possible and we are prepared to proceed with our enterprise and give business for shipping so that the port would justify the expense of making the harbour.

Thanking you for your consideration.

Yours very truly,

Angus McLean,

President.

That was the proposal that was made to the minister at a time when he and his colleagues were striving to practise the most rigid economy. At first glance they felt it necessary to turn down the proposal, as they had been obliged to turn down many others relating to other parts of Canada. But I make a special plea in favour of this one, for several reasons. In the first place, we are isolated from the large centres. We are 600 miles from Montreal, and we have a very inefficient railway service. We have a hard country to live in, because of the long winter season. It is a part of Canada in which very few immigrants from Europe will ever settle; they generally go to the Eastern townships, to Ontario or to the West, and not one in a thousand would dream of locating in the Gaspé district. We have a population born in the place; the people have lived there for generations, and it is in the interests of the country that these young people, who are ideal axemen, ideal men for the lumber camps and the lumbering industry, for the deep sea fishing we have on the coast and for agriculture as well, should be given employment and kept at home.

The minister, in response to the resolution that was sent to him, adopted at a public meeting held at Bonaventure on the first of August, presided over by Monseigneur Matte Vicar General of the new see of Gaspé, kindly sent down an engineer to make a very thorough survey of the whole situation, especially in view of the fact that under the Laurier administration $100,000 had been expended at Bonaventure for the purpose of creating a harbour and building a breakwater. But it is needless to say that from 1911 until 1921 nothing whatever was done; the work was abandoned and these industries moved away. The question is this: Can Canada afford to lose this population? Can Canada afford to lose this industry? Can Canada afford the $100,000 that has already been ex-

pended?—because that expenditure has not resulted in deepening the harbour as it would be deepened by the extension of this breakwater and by deepening the basin as asked for. The report of the engineer is typical of conditions in many parts of eastern Quebec and, I believe, in the Maritime provinces. Our friends in Ontario and in the West do not have to contend with the sea; they are not familiar with these conditions, and I have no doubt that when they hear this report they will have some idea of the importance of this matter to the people living down by the sea, people who, as I have said, live under difficult conditions, far removed from the thickly settled portions of Canada. This is the report of the engineer:

Department of Public Works,
District Engineer's Office,
Rimouski, P.Q., Oct. 25, 1923.

Sir:—

With reference to your telegram of Oct. 17th, and to your letter of Aug. 10th ult., re file P.Q. 36, in regard to harbour improvements which are being requested at Bonaventure river, County of Bonaventure, P.Q., I beg to submit the following.

Bonaventure river or St. Bonaventure, in the county of the same name, is situated on the north shore of the Baie des Chaleurs, 10 miles west from New Carlisle and 90 miles east from Matapedia. It is the largest village of the county; lumbering, farming and fishing are extensive. The fish export firm of Robin Jones & Whitman has a large establishment at that place, which is also a distribution centre; all kind of farm and dairy produce, cattle, etc., are yearly exported; several thousand cords of pulpwood are cut in the vicinity and shipped through this point.

In addition to this local traffic, the Bathurst Lumber Co., Limited, owns, on the westerly shore of the mouth of the Bonaventure river, flowing into the sea, through the easterly portion of the village, large saw, shingle and planing mills, which have been left vacant and idle during the last ten years, due to the fact that the annual timber cut done in their Bonaventure river limits was being rafted to Bathurst, N.B., to be milled in the company's plant at that place.

The annual cut of timber done by the Bathurst Co., in their limits of the Bonaventure river (about 500 sq. miles) approximates 20,000,000 ft. B.M. of lumber; approximately 10 to 15 million feet are also taken out of the Little Cascapedia river, the mouth of which is located about 20 miles west from Bonaventure river.

It is evident that this rafting over the New Brunswick of the lumber cut in the Bonaventure county means a serious loss to the local industry and traffic.

It is now proposed, however, as stated by Mr. McLean, president of the Bathurst Lumber Co., that the said company make at Bonaventure village the centre of their milling operations in the region: they will consequently reopen their mills, enlarge them if necessary to ensure employment to at least 300 men: the company stands prepared to an outlay of $300,000 to modernize the existing saw-mills, and to build a pulp rossing mill as promised to the population of Bonaventure, during the meeting held at that place on August 1, by the head of the Bathurst Lumber Co., Mr. McLean.

But all this industrial boom will take place only if the necessary shipping accommodation and harbour facilities are provided, permitting ocean-going freighters and steam barges to load and unload from a wharf which should be built at that place with sufficient depth of water to allow safe navigation in the harbour: a deep water harbour has consequently to be found or created in the vicinity of the mouth of Bonaventure river.

In regard to deep water harbours, allow me to call your attention to the fact that the whole of this region of eastern Quebec lies as yet only partly developed, owing to the lack of transport facilities: there is only one railroad in both counties of Bonaventure and Gaspe operating from Matapedia to Gaspe, a distance of 202 miles, only one passenger train and one freight train a day. Moreover, owing to the bad condition of the road-bed, only very light cars are hauled so that the traffic is very poorly accommodated; consequently to relieve congestion of travelling and freight hauling, transportation by water should be resorted to. Unfortunately nature has not favoured most of the localities along this coast with natural facilities; harbours there are a-plenty but, in practically all of them the water is shallow and, with very few exceptions, unless they are improved, they do not afford the required accommodation.

Bonaventure river is located approximately half way between Gaspe and Matapedia and should be, from this geographical location, the commercial and industrial centre of the region. In former times, before 1914, such a condition was existing, and Bonaventure was enjoying a prosperous trade and traffic which would certainly be resumed with the revival of industry as above outlined.

With deep water harbour facilities at Bonaventure, this place should become a business centre of large importance. It would be the meeting place of both ends of the Gaspe peninsula and become the principal timber market place of the region.

To meet the requirements such as described by the interested parties during the meeting held at Bonaventure. I consider that, in order not to have the expenditure already incurred by the department in the locality wasted, the existing training pier should be extended 1,000 feet in length by 20 feet in width in a straight direction, and 600 feet in length by 30 feet in width in a south direction: a basin along the easterly side of the 30-foot wide portion of the wharf should also be dredged as shown on accompanying plan.

The construction of the above-mentioned extension 1,600 feet in length by 20 feet and 30 feet in width would cost approximately $145,000; the dredging of a basin averaging 1,040 feet in length by 300 feet in width to 16 feet L.W.S.T., would involve the removal of approximately 68,000 cubic yards of material, measured in place, which at 50 cents per cubic yard would cost $34,000.

No borings have been taken out in vicinity, but I am of the opinion that the dredging can be done without meeting with considerable hardships.

The whole cost of the requested and described improvements should be approximately, including cost of necessary contingencies, $190,000.

Yours obediently,
P. E. Amiot,
District Engineer.

A similar letter was forwarded to the right hon. the Prime Minister, and I have no doubt that he will give the matter proper consideration when it is taken up in council. Here is the situation: Even if a small amount were granted in the supplementary estimates of say $25,000 or thereabouts, to commence this work, not one dollar of that money could be spent before next winter because the timber has to be taken out of

the forests and hauled down to the seashore, so the work practically would not begin until the spring of 1925. They could only do a certain amount of work each year, and this expenditure of $200,000 would cover certainly a period of two or three years, if not four, which would mean a spread of the expenditure. I am not asking for this amount to be spent in one year. The Bathurst Lumber Company spent this year $40,000 there in the construction of piers and booms for the distribution of their logs and to carry on their operations.

I hope I shall have the indulgence of this House for having brought this matter up, but I think I am giving expression to the feeling not only of the government but of many members in this House when I say that in applying rigid economy we must not go too far. We must not cut out what, as in this case, we might call productive expenditure. Whenever a reasonable proposition or a concrete proposal is made by a solvent corporation, when the work is already under way, when a large amount of money has already been expended, when the limits are there, when the resources are there, when the people exploiting them have undoubted capital, when their standing is of the first order, I think, Mr. Speaker, it would be false economy on the part of the Canadian government to turn down an offer such as this or to turn down any offer which would give an opportunity to develop our resources and give employment to our people and keep them at home.

This question of carrying our lumber over into another province is not a new one. It has been discussed many times in the Quebec legislature. It has been brought up on several occasions by Hon. John Hall Kelly, now solicitor for the Lumber Association, and by Mr. Bugeaud, late member for Bonaventure and now on the bench, but the answer of the Quebec government was always this, that the clause in the British North America Act which prevents any barriers being placed against interprovincial trade applies to lumber as to everything else. Along the Ottawa river practically all the mills in this province are kept going by timber from the province of Quebec, and the same thing is true of New Brunswick to-day. The lumber manufactured in New Brunswick is brought over from the province of Quebec. I do not object to the prosperity of New Brunswick at all. I am advocating at the present time, and will continue to advocate, a closer relationship between Quebec and New Brunswick at that point, because our people from the province of Quebec and from New Brunswick are becoming more and more allied every day. There is an invasion of New Brunswick by Quebec, and I hope that the old settlers of the province of New Brunswick will stay at home and not be attracted by the lure of the west or of the United States, because some day they may find another Quebec in the province of New Brunswick. The French-Canadians are going into New Brunswick because they have an opportunity there; they have faith in that province, and I would like to see the old settlers of New Brunswick stay in that province rather than leave for the United States or the West.

I would like, Mr. Speaker, to say one last word in support of this proposal, and to ask the government to give it fair consideration. I think I have advanced arguments which cannot easily be refuted. They speak for keeping the people at home, for giving them employment, for developing our resources, and the moment the government have the necessary guarantees I hope they will find their way, notwithstanding the wise caution given by the Acting Minister of Finance, to at least complete this work so that we shall be able to keep our people at home and continue to share in the general prosperity of Canada.

Mr. Hubbs moved the adjournment of the debate.

Mr. SPEAKER: Before putting the motion I wish to explain, in justice to the hon. member, that being a new member he did not realize he was losing his right to address the House again on this question by withdrawing his motion for the adjournment of the debate, in order that the hon. member for Bonaventure (Mr. Marcil) might have an opportunity of speaking. According to May and Bourinot the House in such a case is generally very indulgent, and I hope that the hon. gentleman may not lose his right to address the House on this question. Is it the pleasure of the House that the hon. member shall have leave to address the House in this debate and now move its adjournment?

Motion agreed to and debate adjourned.

INTERPARLIAMENTARY UNION.

INVITATION TO MEET IN WASHINGTON IN 1925

Mr. SPEAKER: I have the honour to inform the House that I have received from the Acting Under Secretary of State for External Affairs the following letter:

Ottawa, 14th April, 1924.

Sir,—I have the honour to transmit, herewith, copy of a letter which has been received from the agent of this department at Washington, D.C., United States, en-

closing copies of H. J. Res. 204, requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925, and authorizing an appropriation to defray the expenses of the meeting, together with copies of Report No. 475 on the above bill.

I have the honour to be, Sir,
Your obedient servant,
(Signed) W. H. WALKER.
Acting Under-Secretary of State
for External Affairs.

The Speaker of the House of Commons,
Ottawa.

The resolution adopted by the House of Representatives reads as follows:

In the House of Representatives

March 3, 1924

Mr. Temple introduced the following joint resolution; which was referred to the Committee on Foreign Affairs and ordered to be printed

April 8, 1924

Reported with amendments, committed to the committee of the Whole House on the state of the Union, and ordered to be printed.

Joint Resolution

Requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925, and authorizing an appropriation to defray the expenses of the meeting.

Whereas the Congress, in an act approved June 30, 1914, requested the President to extend an invitation to the Interparliamentary Union to hold its annual meeting for the year 1915 in the city of Washington, and in the same act appropriated the sum of $40,000 to defray the expenses of the said meeting; and

Whereas when the World War led to repeated postponements of the said meeting the Congress repeatedly extended the appropriation: first, the act of July 1, 1916 extended it and made it available for the calendar years 1916 and 1917; second, the act of March 3rd, 1917, extended the appropriation and made it available for the calendar year 1918; third, the act of April 15, 1918, extended the appropriation and made it available for the calendar year 1919; and

Whereas this appropriation repeatedly extended has lapsed, no part of it having been expended, and the meeting thus arranged for in the city of Washington has not been held; Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That the President be requested to invite the Interparliamentary Union to hold its annual meeting for the year 1925 in the city of Washington.

Sec. 2. That for the purpose of defraying the expenses incident to said meeting the appropriation of $50,000, to be expended under such rules and regulations as the Secretary of State may prescribe, is hereby authorized.

I thought I should read that resolution which has been sent to me by the Under Secretary of State for External Affairs because many members of the House of Commons as well as of the Senate are members of the Interparliamentary Union.

EASTER ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Before moving the adjournment of the House I wish to mention to hon. members that to-morrow I propose to move that the resolution passed providing for an Easter adjournment until the 22nd instant, be rescinded, and that the date for reassembling after the recess be fixed for April 24th, instead of April 22nd, should the House give unanimous consent. I may say that one of the reasons for making the motion is that the governments of Nova Scotia and New Brunswick have extended an invitation to hon. members from the West to visit the Maritime provinces during the Easter vacation. A large number of hon. gentlemen are taking advantage of the invitation so extended but the time we have agreed upon will allow them scarcely any time to inspect objects of interest. I may add that the government itself would welcome two days' extension of the recess if the House is unanimous in its favour. I now move that the House adjourn.

On motion of Mr. Mackenzie King the House adjourned at 10.45 p.m.

Wednesday, April 16, 1924

The House met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 60, to incorporate The Life Underwriters' Association of Canada.—Mr. McKay.

MEMORIAL TO LATE BOWMAN B. LAW

Mr. SPEAKER: I have the honour to announce that on Thursday the 24th day of April—when the House resumes its sittings—at 2.15 in the afternoon the memorial tablet in the lobby of the House of Commons to the late Bowman B. Law, M.P., will be unveiled. As hon. members are aware, Mr. Law met his death in the fire which destroyed the parliament buildings on February 3, 1916.

REPORT PRESENTED

First report of the select standing committee on Railways, Canals and Telegraph Lines—Mr. Cahill.

PENSIONS, INSURANCE AND RE-ESTABISHMENT COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to move that the name of Miss Macphail be added to the special committee on Soldiers' Pensions, Insurance and Re-establishment.

Motion agreed to.

EASTER ADJOURNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): In accordance with the notice I gave last night, I beg to move that the resolution adopted on the 26th March last in respect to the adjournment from Wednesday the 16th to Tuesday the 22nd of April be rescinded, and that it be resolved that when the House adjourns this day it do stand adjourned until Thursday the 24th instant.

Mr. SPEAKER: By unanimous consent.

Motion agreed to.

AUDITOR GENERAL'S REPORT

Hon. J. A. ROBB (Acting Minister of Finance): I beg to move that the Auditor General's report for the year ending March 31st, 1923, and the public accounts of Canada for the year ending March 31st, 1923, be referred to the select standing committee on Public Accounts.

Motion agreed to.

UNITED CHURCH OF CANADA

Mr. PRESTON ELLIOTT (Dundas): I desire to present a petition signed by a number of people in the county of Dundas in favour of church union; also a petition signed by the members and adherents of St. Paul's Church, Winchester, in opposition to church union; also a petition signed by members and adherents of Knox Presbyterian Church, Iroquois, in opposition to church union.

Mr. J. P. RANKIN (North Perth): I desire to present a petition from members of the Session of St. Andrew's Presbyterian Church, Stratford, in favour of church union.

THE HOME BANK

Mr. A. L. HODGINS (East Middlesex): I desire to present a petition from 1,046 depositors of the Home Bank praying that they be indemnified for their losses.

Mr. JOHN MORRISON (Weyburn): I beg to present a petition signed by 200 depositors of the Home Bank in Weyburn constituency praying that this government take whatever action is necessary to ensure depositors full payment of their deposits.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

YUKON—LIQUOR IMPORTS

Mr. BLACK (Yukon):

1. Does the government of the United States admit the right of subjects of His Britannic Majesty to import liquors through the three-mile limit off the coast of Alaska into and up the Yukon river into Canada in British ships, under section 26 of the treaty of Washington ratified on the 17th June, 1891, which provides that: "The navigation of the rivers Yukon, Porcupine and Stikine, ascending and descending from, to and into the sea, shall forever remain free and open for the purposes of commerce to the subjects of Her Britannic Majesty and to the citizens of the United States, subject to any laws and regulations of either country within its own territory, not inconsistent with such privilege of free navigation"?

2. If the government has not ascertained what interpretation the United States puts on said clause of said treaty will the government ascertain the same at the earliest possible date?

Right Hon. Mr. MACKENZIE KING:

1. The right of Canada under article 26 of the treaty of Washington of 1871 to transport liquor into the Yukon territory by way of the Yukon river was asserted by His Majesty's Ambassador in her behalf in the course of correspondence recently carried on with the object of getting the permission of the United States government for such transportation overland via Skagway and Whitehorse, and was not formally disputed by the United States government.

The route by the Yukon was not considered as of great practical value for the purpose in question, and a conference was arranged between the two governments for the conclusion of an agreement to provide for the overland transportation to Yukon territory through Alaska.

2. In these circumstances it is not considered expedient further to inquire as to the interpretation placed by the United States government on the article referred to.

BUILDING OF SHIPS AT PRINCE RUPERT

Mr. COOTE:

With regard to the bond for $321,000 given by the contractors for completion of two ships at Prince Rupert, referred to on page 3514 Revised Hansard 1922:

1. What was the name of the bonding company.

2. Has the bonding company paid this amount to the government?

3. If so, on what date was payment received by the government.

Hon. Mr. CARDIN:

1. The London Guarantee & Accident Company, Ltd. Head office for Canada, Toronto.

2. No. Negotiations for settlement now proceeding.

3. Answered by No. 2.

CANADIAN NATIONAL RAILWAYS—GRADES

Mr. ARTHURS:

1. Is Parry Sound on the main line of Canadian National Railways, Winnipeg to Toronto?

2. What are the grades on the Canadian National Railways north and south from Parry Sound and near that point?

3. Is it necessary to use additional power to aid trains over such grades?
4. Have proposals been made to reduce or overcome such grades? If so, when?
5. Have surveys been made or plans prepared to overcome or reduce such grades?
6. If so, why has the necessary work not been proceeded with?

Right Hon. Mr. MACKENZIE KING (for the Minister of Railways and Canals):

1. Yes.
2. 1 per cent.
3. Yes.
4. Yes, in 1922.
5. Yes.
6. Still being considered from an economical standpoint.

HIGH COMMISSIONER'S OFFICE

Mr. BENOIT:

1. What has been the cost to Canada of the Canadian High Commissioner's office at London, for the years 1921, 1922, 1923 respectively?
2. What was the nature of the work accomplished during such years?
3. What is the yearly salary of the High Commissioner?
4. What allowance is granted in lieu of residence?

Right Hon. Mr. MACKENZIE KING:

1. Fiscal year 1920-21, $116,778.62; fiscal year 1921-22, $147,594.45; fiscal year 1922-23, $135,408.56.
2. Representation of Canadian interests in London.
3. $10,000.
4. $5,000.

LEAGUE OF NATIONS

Mr. BENOIT:

1. What has been the cost to Canada of the League of Nations, since its inception?
2. What advantage have the people of Canada derived?
3. If such advantages do not justify expectations and expenditures incurred, does not the government think that it is expedient to take leave of said League of Nations?

Right Hon. Mr. MACKENZIE KING:

1. $818,355.76, made up as follows: Secretariat, $765,045.81; Cost of Canadian delegations (4), $53,309.95.
2. Different opinions are entertained as to extent of advantages.
3. Answered by answer to No. 2.

EXPORT OF AUTOMOBILES THROUGH NEW LONDON

Hon. Mr. BAXTER:

1. During the year 1923, how many automobiles were carried to New London, Connecticut, for export shipment, and during what months were they so carried?
2. What was the point of origin of such automobiles and by what routes were they carried to New London?
3. Who were the shippers of said automobiles and what routing instructions did they give with respect to said automobiles?
4. What was the overseas destination of said automobiles?

Hon. Mr. BUREAU: I am told by officers of the department that this question can hardly be answered. To answer Nos. 2 and 3 would require some time and a great deal of work; it would be necessary to refer to every bill of lading and every entry that was made. The question might better stand as an order for return, because the answer would be a very long one.

Mr. MEIGHEN: There is no long answer required; either an answer can be given or not. I suggest that the question stand until the member who put it on the order paper is here.

Mr. BUREAU: All right.

Question stands.

LA CROIX

Mr. JACOBS:

1. Has the Postmaster General's department received complaints objecting to the use of His Majesty's mails against a newspaper in Montreal called La Croix?
2. If so, what was the nature of the complaints?
3. Was the Justice department asked to pass upon the complaints made against La Croix?
4. What did the Justice department advise in the matter?
5. Does the Postmaster General's department intend to permit such newspaper the use of His Majesty's mails?

Hon. Mr. SINCLAIR (Queens, for the Postmaster General):

1. Yes.
2. That the paper was directing attacks against Jewish citizens.
3. Yes.
4 and 5. That the paper was not of such a character as to disclose an intent, or to have a direct tendency, to excite His Majesty's subjects to a violation of the laws or to offend against public order.

LIEUT.-COLONEL BROTHERS

Mr. JACOBS:

1. Was Lt.-Col. Brothers attached to the Canadian delegation to the recent Imperial Conference and in what capacity?
2. If so, what qualifications did he possess for such position?
3. What stipend did he receive for his services, if any?
4. Was the gentleman previous to his selection as above, on the staff of the Montreal Herald?
5. Did Lt.-Col. Brothers give any value to the delegation for the money paid him and, if so, what?

Right Hon. MACKENZIE KING:

1. No.
2, 3 and 5. Answered by the answer to No. 1.
4. No official information.

[Mr. Arthurs.]

QUEBEC IMMIGRATION RESTAURANT

Mr. LAVIGUEUR:

1. Has the Department of Immigration asked for tenders for the immigration canteen and restaurant, at the port of Quebec?
2. If so, how many tenders were received and from whom?
3. On what date had the tenders to be in the hands of the Department of Immigration, according to notice?

Hon. Mr. ROBB:

1. Yes.
2. Ten: J. L. Proulx, J. R. H. Byrne, Jos. Clark, G. Rosseau, John J. Burrill, Eugene Lamontagne, Thos. Grenier, F. Kirouac and Sons, Alex. A. Boivin, and Messrs. J. E. Tessier and A. Arseneault.
3. March 24th.

Mr. LAVIGUEUR:

1. Did Mr. P. W. Dugal, of Quebec, tender according to specifications and requirements of the Department of Immigration, for the restaurant and canteen, at Quebec?
2. Was said Dugal engaged by the department to take charge of the restaurant and canteen and, if so, on what conditions, was there a contract made, when was it signed, what is the salary or commission to be paid and for how long is the contract?
3. By whom was Mr. Dugal recommended?
4. Did he put in an application to obtain the said position, or was it offered to him, and if so, by whom?

Hon. Mr. ROBB:

1. No.
2. Yes, at $4,000 for the season, Mr. Dugal to have complete charge of the purchasing of supplies and also the engagement of the necessary staff. Contract signed April 10 to cover season of navigation.
3. Not recommended but selected on account of ability as restaurant caterer.
4. No; position tendered Mr. Dugal by deputy minister of department.

EMPIRE SETTLEMENT SCHEME

Mr. RYCKMAN:

1. What is the substance of the arrangement entered into by the Canadian National Railways with the Empire Settlement Board?
2. What is the extent of the financial obligations undertaken by the railway?

Right Hon. Mr. MACKENZIE KING (for the Minister of Railways and Canals): The arrangement entered into by the Canadian National Railways with the Overseas Settlement Committee of the Colonial Office under the British Empire Settlement Act provides for the settlement of immigrants on lands owned by the railway in groups of twenty (20) families.

The extent of the financial obligations of the railway is to advance, or make arrangements to have advanced, an amount not to exceed three hundred pounds (£300) to enable settlers to purchase stock and equipment, and the British Secretary of State guarantees payment of full amount of any loss incurred through such advances, but total guarantee not to exceed fifty per cent (50 per cent) of total amount advanced to all of the settlers.

PETITION FROM BRENTON A. MACNAB

Hon. Mr. BAXTER:

1. Has the government received a petition or communication addressed to His Excellency the Governor General in Council, subscribed by Brenton A. Macnab of Montreal, dated May 17, 1923?
2. If so, what is requested by said petition or communication?
3. Has receipt of said petition been acknowledged to the said Brenton A. Macnab?
4. What action, if any, has been taken upon the said petition, and if no action has been taken, why not?

Hon. Mr. LAPOINTE:

1. Yes.

2, 3 and 4. The petition alleged complaints against the Prime Minister and the Attorney General of Quebec, but no action has been taken because, among other reasons, these charges are not within the authority of this government to inquire into and determine.

RURAL EGG CIRCLES

Mr. SENN:

1. Is the Department of Agriculture helping to establish egg circles in rural districts either by bonuses or by sending out persons to assist in organization of the same?
2. Has the department issued any regulations or advice or instructions regarding the same?

Hon. Mr. MOTHERWELL:

1. During the past twelve years the department has encouraged the co-operative marketing of eggs in many districts throughout Canada where the conditions as regards quantity and facilities for marketing would permit, and where there has been an expressed desire on the part of the people for assistance along this line. The assistance given has been in the form of public addresses and personal advice and instruction on the part of departmental officers. In no instances have there been any direct expenditure of money in the form of bonuses or otherwise to encourage this work.

2. Leaflets containing instructions in connection with the organization of egg circles have been published by the department.

VANCOUVER HARBOUR COMMISSIONERS

Mr. BLACK (Yukon):

1. What are the names of the Vancouver Harbour Commissioners?
2. What is the official title of each?
3. What is the salary of each?

4. Do any of the said commissioners hold any public office, or office other than that of commissioner?
5. If so, is appointment to such office, under or within the gift of said Harbour Commissioners?
6. What is the nature of each of such offices?
7. By whom are each of such offices held and at what salary?

Hon. Mr. CARDIN:

1. Guy H. Kirkpatrick, President; Samuel Prenter, Commissioner; R. E. Beattie, Commissioner.
2. Answered by No. 1.
3. President, $6,000; commissioners, $4,000 each.
4. Yes, one.
5. Yes.
6. General superintendent of the port.
7. R. E. Beattie, $4,000.

ST. LAWRENCE WATERWAY—UNITED STATES ENGINEERS

Mr. ROSS (Kingston):

1. What engineers have been appointed by United States to consider the St. Lawrence navigation and power possibilities?
2. Are these engineers connected with the United States army organizations?
3. Is it the intention of the government to recommend any engineers now connected with the Canadian Defence department to represent Canada?

Right Hon. Mr. MACKENZIE KING:

1. Colonel William P. Wooten, Corps of Engineers, United States army, was appointed in January, 1920, as the American member of the Joint Engineering Board to consider this question. It has been agreed, however, that the board should be enlarged so as to include two additional United States engineers. No notification has so far been received of these additional appointments.
2. Colonel Wooten is connected with the Corps of Engineers of the United States army.
3. Under consideration.

CANADIAN NATIONAL RAILWAYS—BRANCH LINES

Mr. LAVIGUEUR:

1. What will be the cost of the construction of the new railway lines or branch lines to be voted by the House?
2. What is the amount voted for the construction of proposed lines or branch lines in the province of Quebec?
3. What is the total mileage of said proposed lines or branch lines for the whole Dominion, and also for the province of Quebec?

Right Hon. Mr. MACKENZIE KING (for the Minister of Railways and Canals):

1. Approximate estimate of cost—$28,311,300.
2. No vote yet made.

[Mr. George Black.]

3. Total mileage—965 miles. Mileage for Quebec, 31 miles.

MEMBERS' STENOGRAPHERS

Mr. SEGUIN:

1. What is the total number of lady typewriters acting as secretary and in the employ of the Speaker and members of the House of Commons?
2. What is the name and salary of each, respectively?
3. How many have a knowledge of both languages?
4. Why is there a difference in their salaries?
5. Are the services of those having a knowledge of both languages better paid? If not, why?
6. Are there amongst them married women?
7. If so, are there any whose husbands are also in the employ of the government?
8. Are any of the mentioned employees absent and in receipt of salary? If so, what are their names?

Right Hon. Mr. MACKENZIE KING:

1. Fifty-six, two of whom are typewriters and stenographers in the Speaker's office in lieu of secretary, which office has not been filled for purposes of economy.
2. A. E. Anderson, $4; M. Anderson, $4; D. Barbes, $6; M. F. Berube, $4; H. Brankin, $4; M. Brennan, $3.50; C. L. Cameron, $4; G. Charron, $4; A. Christie, $4; B. Cook, $4; A. Culross, $4; J. Dechamps, $4; M. R. Dickner, $4; J. Donaldson, $4; I. Fellows, $4; B. H. Foster, $4; M. J. Gagnon, $4; M. E. Garceau, $4; G. Garrow, $4; O. Graham, $4; M. Gravelle, $4; E. Guerin, $6.50; F. Halliday, $4; Y. Kipp, $5; M. A. Lafond, $4; M. R. Laperriere, $4; K. Leaver, $4; E. Leclerc, $4; J. Lefebvre, $4; M. Lefebvre, $3; B. Locke, $4; M. E. McEwan, $5; R. McGuigan, $4; J. McKinley, $3.50; N. MacBean, $4; M. H. Macdonald, $4; A. MacRitchie, $4; M. Marcotte, $4; I. Marriotte, $4; M. Miller, $4; R. Miller, $4; K. O'Connor, $4; A. Ouimet, $4; G. Quin, $4; B. Reynolds, $4; Y. Robichaud, $3.50; G. Sharp, $4; A. Sinclair, $4; K. Soper, $3.50; D. Stewart, $4; M. Sullivan, $4; J. K. Taylor, $4; C. Theobald, $4; M. G. Webster, $3.50; A. L. Weilbrenner, $4; A. Wright, $4 per day.
3. Twenty.
4. Graded according to competence and nature of duties.
5. No: There is no such distinction in any of the governmental departments.
6. Three.
7. One.
8. One, who is absent through illness, Mrs. Barbes.

CABINET MINISTERS' MOTOR CARS

*Mr. GRIMMER:

1. What department furnishes drivers for cabinet ministers' motor cars?
2. To what account are their salaries charged?
3. To what account are repairs charged?

Right Hon. Mr. MACKENZIE KING: I might answer this question verbally. There is no department that furnishes drivers for cabinet ministers' motor cars. The motor cars are arranged for by each department, and the accounts pertaining to them, both for salaries and for repairs, are paid for by each department.

TAX ON AERATED BEVERAGES

Mr. GRIMMER:

1. What percentage of the bottlers in each province have paid the gallonage tax on aerated beverages in full?
2. Is it the intention of the government to compel payment of these taxes by the delinquents?
3. If not, is it the intention of the government to reimburse those bottlers who have already paid the tax?

Hon. Mr. BUREAU:

1. Information not available until completion of audit of sales of beverages subject to the tax.
2. Yes. Action has been taken to compel payment.
3. Answered by No. 2.

IMPORTS OF BABY CHICKS

Mr. GARLAND (Carleton):

1. How many baby chicks were imported from the United States during the fiscal year ending March 31, 1924?
2. Upon what number of baby chicks was duty paid and what amount was received from this source?
3. What number of baby chicks were imported from the United States during the fiscal year ending March 31, 1924, upon which there was no duty collected?

Hon. Mr. BUREAU:

1. and 3. Imports of baby chicks from the United States free of duty,-fiscal year ended March, 1924: Number, 467,154; value, $78,-486.

2. Imports of baby chicks, dutiable, are not separately recorded for statistics.

INCUBATOR IMPORTS

Mr. GARLAND (Carleton):

1. How many incubators have been imported from the United States during the fiscal year ending March 31, 1924, of the following capacities: (a) 100 egg; (b) 101 to 200; (c) 201 to 300; (d) 301 to 600; (e) 601 to 1,200; (f) 1,200 to 2,440; (g) 2,440 to 7,400; (h) 7,401 to 10,000; and (i) 10,000 capacity and over?
2. What amount of duty was collected from each of the above-mentioned classes?
3. What were the imports from Great Britain of incubators of the above classes for the same period, and what amount of duty was collected on same?

Hon. Mr. BUREAU:

1 and 2. Fiscal year ended March, 1924: Incubators and brooders imported from the United States: Number, 6,861; value, $148,638; customs duty collected, $22,295.70.

There are no statistical records showing different sizes of incubators imported.

3. Incubators and brooders imported from Great Britain: Number, 2; value, $81; customs duty collected, $8.10.

UNOPPOSED MOTIONS FOR PAPERS

SASKATCHEWAN EXPORT LIQUOR LICENSES

Mr. MORRISON:

For a copy of all letters, telegrams, correspondence and other documents in the possession of the government or any department of the government, between the government and the government of Saskatchewan on the question of licenses for export liquor houses.

KENTVILLE AND NAPPAN EXPERIMENTAL FARMS

Mr. BOWEN:

For a copy of all correspondence, petitions and other documents between the Department of Agriculture and the pure-bred stock breeders of Nova Scotia, with regard to the experimental farms at Kentville and Nappan in the province of Nova Scotia.

APPLICATION OF DUMPING CLAUSE

Mr. EVANS:

For a return showing the number of importations to which the dumping clause of the tariff has been applied during the fiscal year 1923-24, the class of goods to which it has been applied, the reasons therefor and the amount of duty collected.

PROPOSED INCOME TAX AMENDMENTS

Mr. JOSEPH ARCHAMBAULT (Chambly and Vercheres) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act by making the following changes: (1) To increase from $300 to $500 the exemption granted for every child; (2) to differentiate in the amount of taxation against invested capital and that placed against revenue derived from salaries or wages; (3) to grant to people married under the community regime an exemption equal to that which is granted to people married under the regime of separate maintenance.

He said: Mr. Speaker, the matter involved in the resolution that stands in my name has been brought before this House by myself on many occasions, with more or less success. It is evident that in bringing forward arguments in favour of the resolution I shall have to repeat myself, and I therefore crave the indulgence and the attention of hon. members for a few moments.

As hon. members will notice, the resolution is threefold in its purpose, but all relating to the same subject, the income tax. The first object sought is to increase from $300 to $500 the exemption granted for each child; the second is to differentiate in the amount of taxation against invested capital and that placed against revenue derived from salaries

or wages; and the third is to grant to people married under the community regime an exemption equal to that which is granted to people married under the regime of separate maintenance. My task will be much easier this afternoon, because the Acting Minister of Finance (Mr. Robb) has given notice of a resolution, which is now on the order paper, embodying an increase in the exemption for children from $300 to $500, thus giving effect to the wish of the House as expressed last year. I shall therefore refrain from making any remarks on that first point, reserving any observations I may find it necessary to make for the time when the resolution will be brought down. But I wish to congratulate the government heartily upon bringing in this legislation, which I with many other members have been advocating for many years. Under the old administration, which seemed to be in favour of birth control, I advocated on many occasions that this increased exemption be granted, but without success. I remember the first time I introduced a similar resolution, in 1919 or 1921, I think it was. That resolution was opposed and defeated at the request of the ex-Minister of Finance (Sir Henry Drayton), and those members who were in the House at the time will recollect the incongruous and uncouth remarks and objections that were made by some hon. members. They may remember, for instance, that the then hon. member for Peterborough, Mr. Burnham, opposed the resolution because, he said, it would be an encouragement to animal instincts. The then hon. member for Frontenac, Doctor Edwards, opposed the resolution because, he said, it was a disguised way of allowing the province of Quebec to avoid paying their share of the taxes. However, I am glad to say that the first year this government were in power they increased the exemption from $200 to $300, and now this year there is a resolution on the order paper in the name of the Acting Minister of Finance for increasing it from $300 to $500. I repeat again, the government are to be congratulated on this step, which I am sure will win the gratitude of all those who believe that the best citizen, after all, is the Canadian born, and the best immigrant the one that God himself brings into your home.

There remain, Mr. Speaker, two other points in my resolution, which I will discuss very briefly. The first one is a ruling by the Department of Taxation regarding the tax imposed on persons married under the regime of community of property. I may explain to hon. members who may not be entirely familiar with the civil law of Quebec that in the province of Quebec there are two marriage regimes. There is the regime of community of property, and there is the regime of separation of property. If people are married without a contract they fall under the first regime, that of community of property. The properties and the moneys belonging to the wife or to the husband before marriage and the properties or monies that they may receive after marriage form one whole. When they are married under the regime of separation of property, the husband and the wife each keeps the property or moneys, they may have had before entering into marriage and any moneys or property they may inherit after they are married.

Mr. CARROLL: Does the regime of community of property apply to the Mennonite settlement in the West, where the property is held by trustees?

Mr. ARCHAMBAULT: I could not tell my hon. friend. It might be so. But what I am discussing is a ruling that has been made by the department regarding the regime of community of property as we have it in Quebec. The same ruling may have been made with regard to the Mennonites in the West. At all events, under the ruling of the department, if the people are married separate as to property they enjoy the benefit of two exemptions, and if they are married under the regime of community of property they enjoy the benefit of only one exemption. Let me give an example. Suppose a married couple has an income of $6,000, the husband earning a salary of $3,000, and the wife possessing an income of $3,000, derived from inheritance or otherwise. If they are married under the regime of separation as to property the husband gets his exemption of $2,000, and the wife gets her exemption of $2,000. Therefore, out of that sum of $6,000, $4,000 is exempted, and they pay a tax on only $2,000, the 4 per cent normal tax, making $80. But if the same parties are married under the regime of community property, under what I might call the absurd ruling of the department they are given only one exemption, that is, only $2,000 is exempted, and they pay $160 on the other $4,000; that is just double the amount paid by those who are married under the regime of separation as to property. I pointed out this ruling last year, Mr. Speaker, and I thought it would be changed. The injustice is apparent, and I hope that when the Acting Minister of Finance brings in his amendments to the Income Tax Act he will have this ruling changed. I trust that he will give orders to

the effect that the people who are married under the regime of community as to property will get the same benefit of two exemptions enjoyed by those who are married under the regime of separation as to property.

My second point, Mr. Speaker, is regarding the differentiation that should be made in income tax from earned and unearned income. I consider earned income to be, for instance, profits of office, pensions, income derived from farms, or from professions, or from trade. In order to be more explicit I shall read to the House the definition in the English law of earned income:

> The expression "earned income" means—
>
> Profits of office.—Any income arising in respect of any office or employment of profit held by the individual.
>
> Pensions.—Income in respect of any pension, superannuation, or other allowance, deferred pay, or compensation for loss of office given in respect of the past services of the individual or of the husband or parent of the individual in any office or employment of profit, whether the individual or husband or parent of the individual shall have contributed to such pension, superannuation allowance, or deferred pay or not.
>
> Property emoluments of office.—Any income from any property which is attached to or forms part of the emoluments of any office or employment of profit held by the individual.
>
> Any income derived from farms.
>
> Any income derived from a profession or trade.

All other income, outside of that just defined, is unearned income. In my opinion this differentiation is most commendable. The man who derives his money from his daily toil, from his daily work, should not be asked to pay as much tax as the one who derives an income from money invested or money inherited. The salary of a man is his capital. When a man, earning $5,000 a year, for instance, dies, his family is practically left with nothing because he has been forced to spend the most of his salary during his lifetime to provide for his wife and children. On the other hand, when a man who derives an income of $5,000 from money invested dies, his wife and family still have the $5,000 income, plus the capital probably of $100,000 from which the income is taken.

Mr. MEIGHEN: Take the case of a farmer retired on the money he has worked for and earned, and his income is, say, $1,500 a year, would my hon. friend consider that income as not earned?

Mr. ARCHAMBAULT: I expected the remark from the right hon. gentleman. It is not a new one, it was made last year. First of all the right hon. gentleman should be aware that the farmer who derives an income of $1,500 does not pay one cent of income tax if he is married. He only has to pay when his income is above $2,000. That is the law.

Mr. MEIGHEN: That is the case, of course, but it does not affect the principle. It is not the case in the city income taxation.

Mr. ARCHAMBAULT: It is the federal income tax that I am discussing. We might fix another day to discuss municipal and provincial taxation if it be deemed necessary.

Mr. MEIGHEN: But it illustrates the principle.

Mr. ARCHAMBAULT: What my right hon. friend probably wishes to point out is this, that it would not be fair to tax a farmer or a labourer who has accumulated a certain amount of money and derives an income from it more than a man who earns a very high salary. I think my right hon. friend is right in his contention. I was going to explain that my idea was to create three rates of income taxation in order that the state should derive practically the same income. At the present time the normal tax is 4 per cent. Now, I submit that a fair adjustment of the income tax would be the following:

Income derived from inheritance money I would tax at 6 per cent.

Income derived from money that has been set aside by a certain person through his work I would tax at 4 per cent.

Salary and the different earnings I have mentioned in speaking of earned income I would tax at 2 per cent.

Regarding salaries I would consider that the tax of 2 per cent should only apply to a reasonable living salary, limited, say, to $10,000. I believe that legislation of this character would be very sound. If you look into the income tax returns you find that those who pay the most are the salaried and professional people. Consequently there should be a fair readjustment and reapportionment of the tax. I will not occupy any more of the time of the House in discussing this matter. In closing, however, I wish to congratulate the government for having acceded to the first point of my resolution and raised the amount of exemption from $300 to $500. But they should also consider at the earliest opportunity the advisability of changing the law regarding the two points which I have dwelt on this afternoon.

Mr. FONTAINE (Hull) (Translation): It affords me, Mr. Speaker, much pleasure to second the resolution which the hon. member for Chambly and Verchères (Mr. Archambault) has so ably proposed to the House.

I am especially pleased to support such a resolution for the reason that a great number of the electors whom I have the honour to represent in this House, have asked me to do so, among these I may mention the "Cercle Catholique des Voyageurs de Commerce" of Hull. It is hardly necessary for me to speak at length on this question, the hon. Acting Minister of Finance (Mr. Robb) having recently announced that a bill would soon be brought down to grant the first part of the resolution, that is to say the part which refers to the increase of the exemption from $300 to $500 for each child under 18 years old. I wish to thank the government on their decision, it is another popular measure which will redound to their credit. Indeed, Sir, no one in this House will contend, I am sure, that schooling, education and bringing up of a child only, costs $300 per year. I am speaking of a child to whom we wish to give the necessary means of earning a good living, so that he may be in a position to do his share of work and good for his country, especially in our dear province of Quebec where, let us thank God, families are large. The present act is certainly a hardship and hindrance to the education of the children, and I am not astonished that the hon. Acting Minister of Finance, who lives in our province, and therefore knows the facts upon which this resolution is based, has decided to increase to $500 the amount of the exemption for each child.

I also think that the second request mentioned in this resolution should be allowed. Indeed, Sir, in my opinion, the government should establish a difference between the tax levied on the salary and the one levied on the income of money invested in companies or paying enterprises. It is only fair that the salary of the person who works—even if it is large—should not be taxed as high as the income of the person who has inherited his capital or receives large dividends without having to work.

Finally, I come to the third and last part of this resolution, namely: That married people under the regime of community of property should enjoy the same privilege, as regards exemption, as those married under the regime of separation of property. I think, Sir, that it should not be necessary to insist upon this point. It should be sufficient to bring out the facts so as to show that there is a serious injustice. Indeed, here are two neighbours of whom one is married under the system of separation of property, he is entitled to an exemption of $2,000 and his wife is also entitled to an exemption of $2,000, that is $4,000 for the two, while the other neighbour who is married under the regime of community of property is only entitled to $2,000 and his wife gets no exemption. As you are aware, Sir, this only affects our province, since the regime of community of property only exists in the province of Quebec.

Before resuming my seat, I wish to congratulate the hon. member for Chambly and Verchères for his courage and perseverance in demanding justice, and I trust that the government who have already acquiesed in the first part of the resolution, will consent, after further consideration of the question, to adopt the other two parts of the resolution.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): There has not been much discussion on this motion, and I do not feel that my opinions on all the points of the resolution are matured; but I feel like stating them, such as they are, as respects all three. I am in full accord with the first portion of the resolution. I have always felt that the allowance in respect of children was not adequate, having regard to the individual and to the married man, and having regard, of course, as well to the high cost of living now prevailing, making the lot of him who had a family, particularly a large one, much more difficult than the lot of the single man. Of course $500 is a very considerable increase from $300, but, in my individual opinion I feel it is not too much even yet. Of course, when the tax was put on, as with many other features, we awaited the working out of it, and we learned in respect to it by experience, just as we have learned in respect of many other things. I think I recall the other unreasonable objection by the member for Peterborough at that time, referred to by the hon. member for Chambly and Vercheres (Mr. Archambault); and as he referred to it, I could not help also recollecting that the same member for Peterborough was the only one man to the right of the chair who agreed with the equally absurd contention of hon. members opposite that the government of that day was usurping power.

I do not feel at all convinced of the wisdom of the second portion of the resolution. I mentioned to the hon. member, just by way of illustration, in the hope that the question would lead to a free elucidation, the instance, of a man who has earned at farming, or some other hard labour, a competence for his old age, has it invested, secures the revenue, and I questioned the hon. member whether he considered that revenue any less earned than that

earned by the bank president, say, $50,000, or that of the railway general manager, or some other highly paid official of a large concern. He answered me by saying first of all, that the man with $1,500 had no tax to pay. Well I do not think he is right to begin with, but even if he were it would not be an answer. He is not, if the subject is a married man; but if he is a single man, as I understand the law, his exemption is only $1,000. So that I was scarcely entitled to the rebuke which the hon. gentleman administered. I would consider it nothing but the grossest hardship to come with special emphasis on a man in receipt of a small income upon which he hopes to maintain himself in old age, and tell him, "That is something you did not earn, something coming to you as a result of fortune or legacy, so we are going to tax you extra on that amount," while saying to his brother in receipt of a very large income, because it took the name of a salary, "We will let you off practically free, and what we lose from you, we will exact from the fellow who has lived upon the money he has earned." I know other countries have adopted that proposition. I know particularly that cities and towns have adopted it, and I think provinces as well, but I have myself seen the grossest hardship as a result of its adoption. I have seen instances where, as a consequence, there being no exemption at all in cases of persons who had not sufficient income to live upon, the result of accumulation of a lifetime, there was an invasion of the capital in order that this money might be exacted for the benefit of the municipality. I am not at all convinced that there is any rule different in character between incomes that are honestly earned. If the income is honestly accumulated by work and toil, or by the use of brain or body, I have never been able to convince myself that the state has a right to classify one as against the other, and to say that one may be exempted and the less fortunate one penalized. There may be cases where the incidence would be fair, but there would be very many where the incidence would be anything but fair.

The hon. member proceeds further and says "In case of property that comes down through legacy, I would pounce on that harder still; I would exact six per cent; whereas in the case of income derived from other unearned investment only 4 per cent would be exacted." Well, what is going to be the result of that. Very much that comes through legacy is pretty hardly earned. The son on the farm who labours till he is thirty or forty—say twenty-five—gets by legacy a portion of the homestead. Is it to be said that that is not earned, that because it comes to him under a will he will have to pay an extra tax upon it, in order that some other property which perhaps is a result of speculation, may be partially exempt? A man becomes the owner of property, partly the result, say, of legacy, partly the result of his own toil and partly the result perhaps of one of the many investments that turn out fortunately. How in the world is the state going to examine his property to ascertain just what part of that is legacy, what part is the result of his brain, properly exercised, and what part is the result of the labour of his body? For the life of me, I do not know how that is going to be done. It may be done immediately with some fair accuracy; but after a few years, how is it going to be done? Some of his property is lost. Against what share is that going to be assessed? What part is going to be reduced of those three divisions, in order that the state may apply this complicated system on what remains? In respect of the division of assets, although, of course, one can make a very forcible case for what one might describe as the earner as against the man who is in receipt of a revenue from investments that he earned before, I do not believe you are going to get very far, and in my humble judgment, you are going to produce more complication and do more harm than good. Undoubtedly, in many cases you are going to impose hardships on individuals.

Coming to the third phase of the resolution, I am not quite certain yet that I am clear upon it. So far as I know, in the provinces in which I have lived, there are no divisions as respects classes of marriages. I do not know that that can be said absolutely. There may be cases where property is held in common, even though it is

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not a consequence of the marriage settlement, and there certainly are cases where husband and wife would have individual properties and individual incomes assessable under the law. The hon. member pointed out that in case, for example, of an income of $6,000, where $3,000 is income from property rights of the wife, and $3,000 income from property rights of the husband, if those are held separately under the separate income marriage, there are two exemptions of $2,000 each, whereas, in the case of the same property, with $6,000 of income derived therefrom, where it is held under a community system, the exemption is only $2,000. I would presume there would be some discrimination, but for the life of me I do not know how you are going very fairly to get over it in the way the hon. member describes. I would be disposed

to get over it in the other way—to take the case of the wife who has an income and the husband an income and allow the two of them only the one exemption, dividing it half way between them. There is really only one home, one unit, and it does not seem to me fair that there should be the total exemption, particularly the total married exemption, if I may so describe it, attributable to both the husband and the wife where each has a separate income. These things tend to an apportionment of what really was the property of the one amongst the two in order that double exemption may be enjoyed. Would this difficulty not be met in the straightest, easiest, as well as the fairest way, by allowing the one home the one exemption, added, of course, to the one exemption being the exemption in favour of the children?

Mr. PAUL MERCIER (Westmount-St. Henri (Translation): Let there be no misapprehension, Mr. Speaker, we are fully aware that Canada's debt is enormous and that a strict economy is necessary in all departments, if we wish to meet the obligations that Canada has assumed. We also know that customs, excise, the revenue of the Interior and the income tax are the main sources of revenue which enable the Dominion administration to carry on. We wish to diminish in the least possible measure the flow of revenue into the coffers of our government, so convinced are we that for several months past they have been following the road which leads to prospertiy which had been deserted by the previous administration from 1911 to 1921. Moreover, the Canadian public will presently be looking to the coming of an era of real prosperity, owing to the balancing of this year's budget.

However, Mr. Speaker, would it not be possible to lighten the burden of the heads of large families who come under the Income Tax Act? Such is the aim of the resolution of the hon. member for Chambly and Verchères (Mr. Archambault) which is, at present, being considered by the House. An amendment to this act, 12-13 George V, chapter 25 grants an exemption of $300 for each child less than eighteen years old who is a dependent. We are now asked to increase this exemption from $300 to $500. The government has consented, and ought to be congratulated for so doing. Surely, no member of this House will oppose this change. A father of a large family with a salary of $3,000, and even $4,000, ecounters great difficulties in balancing the family budget. Full of energy, thrifty and far seeing, he plans as much as possible a brilliant career for his children; with such an aim in view, he looks forward to giving them the necessaries of life at home as well as a proper education. An education Sir, has, in some cases, become a luxury in this country; for instance, when a son wishes to take up a profession or when a daughter desires to perfect herself in literature, arts and sciences. The salary of the father soon goes for the upkeep and the education of such a family. If, perchance, through praiseworthy thrift, he carries insurance on his life, so as to provide for the future of those who will survive him, what wonders must he not perform to meet the payments on his policies!

We notice with pleasure, Sir, that the government has given a favourable answer pursuant to its generous policy which we all acknowledge, to the just demand contained in the first part of the resolution, and that an amendment is to be added to the act 7-8 George V, Chapter 28, which refers to the authorization of levying a war tax on certain revenues.

Let us now come to the second part of said resolution which reads as follows:

> To differentiate in the amount of taxation against invested capital and that placed against revenue derived from salaries or wages.

The hon. member for Chambly and Vercheres, the mover of this resolution, now requests a substantial change in the principle of taxation on incomes in force up to date.

Certainly one may say that it is a new departure in our statutory law to thus discriminate between taxation on incomes from invested capital and that on incomes derived from wages or salary. In principle, this change seems justifiable. It is, in fact, accepting the system of proportionality in the levying of taxes on incomes in Canada, a system in opposition to that of progressive taxation at present in force.

Mr. Passy, a distinguished French economist, in an article written for the Dictionnaire de l'Economie Politique expresses himself thus on the subject of proportionality:

> This rule is far the most important; what it sets down, is the observance of the most elementary principles of equality. Taxation requires for the benefit of the State a fixed portion of the wealth distributed among all; it must only take from each person according to the amount which his share will allow, and every time it does not follow this rule, it favours some at the expense of others, and compensates immunities by spoliations.

These statements, Sir, are only too true. This rule must exist if justice is to prevail in this world and government institutions are to preserve the respect of nations. Moreover, the economic interest of Canada demands it as well as the principles upon which has

rested heretofore the development of our wealth.

It is not only, further adds Mr. Passy, from the standpoint of purely distributive justice that proportionality is necessary; it is a matter of the highest economic import, it is one of the conditions of social order that there should be an absence of all impediment to the natural flow of wealth. Whenever taxation is unequally distributed among the various component parts of the population, whenever more is exacted from some, and less from others than each one is liable to in proportion to his share in the general revenue, the proper balancing of abilities and liabilities is disturbed and thereby impediments are put in the way of development which cannot take place with the required unity and regularity.

A system of taxation consonant with Mr. Passy's beautiful conception, would be the ideal on earth, and the word taxation would be a delight instead of being looked upon as daily hardships.

Our legislation, Sir, establishing a system of taxation on incomes, was adopted in this country in 1917 and enacted on September 20th of the same year. To try to bring on an immediate change in its intrinsic working would, we admit, upset the trend of our activities in civil and commercial life, and especially the finances of the country whose estimates are based on current incomes. However, it would be expedient that there be added to the act an amendment discriminating between incomes on invested capital and incomes derived from salary or wages, for it is but right that one who earns a salary or wages should be less taxed than he who draws a revenue from unearned sources, while possibly at the same time earning a salary. Should the legislator take this view, it would be only conforming to the most elementary principles of equality and justice, that is taking from the one as much as from the other, in proportion to each one's share in the general revenue, and maintaining finally, the natural flow of wealth so as to make of Canada a country in which taxation would equally be distributed among the various component parts of its finally satisfied population.

As to the third part of this resolution, Sir, it is only necessary to look at the privileges afforded by this act to married people under the system of separation of property to grant these same privileges to married people under the system of community of property in the province of Quebec, that is an exemption of $2,000 for each married person.

A well distributed taxation, Sir, means all to a state. And as Mr. Drumont, the editor of the Libre Parole, in France, expressed it: "In the Congo as everywhere else, it is the question of taxation which is of the utmost importance."

I shall support the resolution.

Mr. HERMAS DESLAURIERS(St. Mary) (Translation): I desire at the outset, Mr. Speaker, to congratulate the hon. member for Chambly and Verchères (Mr. Archambault), for the welcome initiative he has taken in introducing this resolution and I deem it my duty to strongly support him, without however aspiring to throw new light on the subject, for I think he has clearly established his point and has shown upon what good grounds rests the amendement moved by himself.

After making allowance for peculiarities in all legislation, the enactment under discussion seems based on a misconception. Indeed, when the government decided to allow an exemption of $1,000 for a grown-up person, they certainly had in mind that this amount was altogether indispensable for his subsistence. That is why they allowed an exemption of $2,000 for a married man and wife. We all admit that such a married person subject to be taxed is, owing to his position, obliged to have in his service a domestic or servant. Now, the latter who is a grown up person, receiving wages, lodged, clothed and fed out of that $2,000 exemption allowed to that married person, deducts by the fact from said amount, $1,200 to $1,500; which means that there only remains out of the $2,000, the small sum of $500 to meet the necessities of life, which weigh more heavily upon the man subject to be taxed than upon the one who is exempted and this notwithstanding that he has to provide for the education of his children. No doubt, that the reason for this act remaining so long on our statutes was due to the urgent need of money; but to-day seeing that most of our public men, even the newspapers concede, and the government themselves seem also to admit that immigration is the greatest possible means of solving the problem of our colossal national debt—which I do not deny—when I see that it is intended to withdraw from the public treasury funds accruing from taxation to bring to this country youthful subjects without means of supporting themselves, that it is intended to instruct and give them the necessary education, and, once they have reached manhood we further intend to settle them by means of loans, I think it is strange that we burden, in this country, the newborn children with taxes or that we continuously drain our finances with the object of bringing over and settling in Canada, these children who for the most part will bid us farewell later. I think it would rather be

more appropriate to help the country's children and give them the schooling and education necessary, so that some day the country may make use of their strength and intelligence to help in developing our resources in every sphere. I think it would be regrettable to lose sight of that aim owing to a very badly conceived legislation which would prevent us giving a good education to our youths and oblige us to look towards immigration to obtain the brains which we need to administer our affairs.

As to the difference which exists between married people under the system of separation of property and those under the system of community of property, this act seems to unjustly hit this class of citizens who bring as a part of their marriage the sacramental condition, which is love, while it favours, I will not say those who unite without love, but those who seem not to have lost sight in their marriage of the pecuniary side of the question. I fail to see why two married women, equally subject to taxation, should not be placed on an equal footing, and, if there is to be any discrimination, I think it should be the one who is under the regime of separation of property that should be taxed, and not the former, because the woman under the regime of separation of property is more often than otherwise in a position to contribut to the treasury.

I believe that the married man, the head of a large family, does his share for the country and it is in him that our hopes must rest for the safeguard and building up of our country. This is demonstrated, in a most striking manner, in every war. It is especially the families that have sons who win the wars and certainly render the greatest services in that connection. One must never, I think, draw a parallel between money values and human lives. We saw during the last war many people, very patriotic in words, who wanted to send everybody overseas, not having sons themselves, while they remained here and succeeded in winning the title of what is known to-day as war profiteers. These people made a great fuss to win the war. To-day when our country is overburdened with debts, I do not see why we should allow to remain on our statutes laws sponsored by them to protect their own interests. Under these circumstances I deem it my duty to strongly support the resolution of the hon. member for Chambly and Vercheres. Being fully aware of the sense of justice and uprightness of the hon. Acting Minister of Finance (Mr. Robb), I hope that, at this present session, we shall receive a square deal in connection with this legislation.

[Mr. Deslauriers.]

Mr. E. C. St. PERE (Hochelaga) (Translation): The resolution, Mr. Speaker, that the hon. member for Chambly and Verchères (Mr. Archambault) has introduced, seems to express the request of a great number of people, if one may judge from the numerous petitions addressed to members. The present system of taxation on incomes, which is so much in evidence since it has been imposed upon us to defray the expenses of the war, seems to me the most equitable, because it must be commensurate, according to our progressive system, with the resources of each one. This does not imply that it is not susceptible to improvement. The champions of progressive taxation must be guided by the rules governing strict justice. Indeed, it is through sacrifices that each citizen shoulders his share of social burdens. The sacrifice of the poor is always felt more than that of the rich. The former tells on the necessities of life, the latter bears on luxuries. Wrongly is taxation considered as a spoliation. It is the acknowledgement of a public service and it is unjust and disloyal, on the part of citizens, to cheat the law or seek, by underhand dealings, to avoid it. However, if all members of a community are forced to contribute to the public taxes, it does not follow that they must all do so in the same proportion. As a principle, every one is held to pay for a service according to his means and the benefit he may derive. It is self-evident that large land owners or manufacturers, who have important interests at stake, benefit in a greater measure from the protection of the law and the public services than the man whose interest consists in the work that his two hands perform; the former must therefore contribute in a greater measure to their support. I approve of the suggestion of increasing from $300 to $500 the margin of exemption allowed for each child under 18 years old, but I add that this exemption of the tax is cut off exactly when it becomes most needed. You have, for instance, a son who is just eighteen. He is endowed with talent, and you intend to give him a profession which he will later on do honour and exercise for the welfare of society. Up to the day he is received a lawyer, a doctor, and so forth, he will entail heavier expenses from year to year, yet it is just the time chosen to cut off the exemption. Does the legislator wish to punish you for working to provide for the future of your child, when you might have unburdened yourself of a great yearly expense by placing him in apprenticeship in some trade, the moment he has reached the age when the law obligingly dispenses him with further schooling? No doubt, such was not

the intention of the law but the exact result nevertheless is to discourage education among those who are not wealthy, or in other words, it aims at restricting education to those who are favoured by fortune. In the case of boys it has especially an economic bearing. However, when it comes to girls, we meet with a problem which has to do with the home life of a family. At eighteen, it is the age when, under normal conditions, a young girl leaves the convent. Back to her home, what will be her future. "There are parents whose thoughts dwell only on the mighty dollar;" they have already heavy burdens; they will not add another one, the young girl must therefore earn her living, she is given her full freedom, a position must be found for her in a manufacture, a store, an office, or—a superlative honour and blissfulness—"in the government." what will be her fate, it is of small consequence, what is there to be feared? "Miss so and so" earns her living.

It is the reverse with other parents, they look after the future of their daughters. They must think of means so as to support, feed, clothe them, also do a little entertaining, and this is not accomplished without money. On the other hand, the young girl at home, under the eye of her mother, will learn how to keep house, prepare and cook the food, sew, and so forth, in a word to equip herself so as to be a good wife and a good mother. You may think that the father should receive some compensation? You are wrong. Since he has chosen to keep his daughter at home until she finds a suitable husband, instead of giving her the opportunity of following some line of business and leaving her without protection amid the dangers which surround such existences, let him pay for it. He does not deserve to be exempted from taxation. What is most astonishing, is that a heavier tax is not levied for having lost his business acumen.

To establish a difference between the portion of taxation which is applied to the income on capital and that which is applied to salary or wages. Everything, in this world, Sir, harmonizes through the relation, which one thing bears to another, for progression is always, so to speak, a kind of proportion. In the case we are dealing with at present, it means that the rate increases in proportion to the amount taxed, it matters little whether the income is derived from unearned capital or consists in a salary or wages.

An employee on a small salary, let us say between $3,000 and $4,000 per year, must necessarily be very sparing to make both ends meet. In the advent of sickness or death, his family will be left without a cent; and yet during all his life he will have paid to the state the same rate of taxation as the person enjoying the same income from investments which will shelter his heirs from want. Let us take the case of a father with three children having a yearly earned income of $5,000. He has an exemption to the amount of $2,000 plus $900 as long as his children are under 18 years. On what remains he will have to pay a tax of $84. Do you expect that this man, at his death, will leave a fortune to be compared to Croesus' wealth? No, for the cost of living, to-day, is too high for those who wish to give their children the education so necessary to encounter the struggle for life. If success belongs to the most qualified, we must not take away from those in charge of their education, the means of starting them in life. My hon. colleague from Chambly and Verchères (Mr. Archambault) asks us to discriminate in the rate of taxation on the earned and the unearned income. When should an income be considered as earned? The committee on Ways and Means of the United States Congress are of the opinion that the said income should never exceed the sum of $20,000, and that all salary above this amount must come under the maximum tax and surtax. I think it is but right to establish this difference, because it removes from the class of reasonable salaries and minimum taxation, those who, among the people on a salary, receive large amounts for their services. If the citizens of a state must contribute to the maintenance of the government, each, as much as possible, to the extent of his ability, that is, in proportion to the income he receives under the protection of the state, I think that the system favoured by the committee on Ways and Means of the United States Congress is the most equitable. It protects the workman and the wage-earner who have begun to set aside their savings, rewards the person who, after having saved, is receiving a small income from his investments in real estate, and allows the merchants to provide for financial crises brought on by trade depression. Should the amount of $20,000, as mentioned, appear too high as an earned income let us adopt the amount favoured by the United States farming group, that is $6,000, and, all incomes above this sum must be debarred from the minimum rate of taxation, under the term of earned interest.

Should we adopt either one system or the other, equally destined to protect the small wage earner while not ruining the magnates of the financial world, we must apply the

maximum tax and surtax to all the incomes over the amounts above stated. The government could not do otherwise in these days when money is needed to meet the expenses of the country.

This side issue, Sir, does not alter in any way the just and equitable principle of the second part of the resolution under debate. It only throws more light on the subject and demands more precision as to the definition "in dollars" on the income earned or income derived from labour.

I cannot conceive, Sir, that a salary earned or the income derived from labour can apply indifferently, and in the same way, to the wages of a mechanic of the Angus shops and to that of a general manager of an important bank, or of any other large financial institution or railway company. It would be the proportional taxation instead of the progressive one. The Italian government had to face a similar problem which it solved in the following manner: Income earned, income mixed and income derived from capital. These mixed incomes are partly derived from labour and partly from income on capital. It is thought in Italy that these mixed incomes are better applied to small merchants and to farmers than all other systems. People are taxed in a proportion known as intermediate between the income earned and the income unearned.

As regards the proposal to give married people under the system of community of property the same exemption as to those under the separation of property system, I think it is but just and necessary.

However, it is absolutely indispensable that in all well organized society, the old maxim of the "stronger supporting the weaker" should continue to be put into practice and I think that the government were well advised—and I congratulate them—in showing their sympathy and giving their support to the first part of the so needed resolution which the hon. member for Chambly and Verchères has introduced.

Mr. LAVIGUEUR (Quebec County) (Translation): It is, Sir, a genuine pleasure to associate myself with those who have supported the resolution of the hon. member for Chambly and Verchères (Mr. Archambault) I think it is fair and equitable to establish a distinction between the father of a large family and one who has no dependents. It is true that the present act allows an exemption of $300 per child; but on the other hand, if we consider what it costs to a father of a family for schooling, education and the incidental expenses of bringing up children, the increase of the exemption which is proposed in the resolution before the House, is simply a trifle.

Years ago, the government of the province of Quebec, then under the leadership of the late Hon. Honoré Mercier, made a grant to all fathers of twelve children. This legislation was a beneficial act, and I think that it is an example which can well be pointed out to this House, especially at a time when we are deploring the emigration of our Canadian families to the United States. Who are the families that are thus leaving the country? They are, generally, those of good farmers of the province of Quebec and of other provinces; our labourers with large families who toil and find it hard to provide for their children. Well, Sir, if it is desired to stem the tide of emigration towards the United States, is not this resolution of a nature to bring back hope to our worthy bread earners, in the province of Quebec, who are on the eve of emigrating.

Moreover, Sir, should the head of a family having ten or twelve children be taxed at the same rate? I feel satisfied that we should go one step further than the resolution of the hon. member does, and that the father of a family of ten or twelve children should entirely be exempted of the income tax.

I now come to the second part of this resolution. It would only be right and equitable that persons having inherited of a capital which they did not earn, should contribute more in taxes than a poor wage earner who must support his dependents out of a salary hardly sufficient to meet the necessities of life.

I also think, Sir, that it would be quite right and just to further consider the third part of this resolution and accept it, so as to remedy this unjust distinction which exists between married persons under the regime of separation of property and those who are under the regime of community of property. If married persons under the former system have a right to an exemption of $4,000, I do not see why married persons under the system of community of property should not enjoy the same exemption.

I deemed it my duty, for the reasons given above, to address the House in support of the resolution of the hon. member for Chambly and Verchères (Mr. Archambault) for which I intend to vote.

Mr. W. C. GOOD (Brant): Mr. Speaker, I think the hon. member for Chambly and Vercheres (Mr. Archambault) deserves to be commended for bringing this matter to the attention of the House. I very heartily endorse the first paragraph of the resolution; I

suppose there is very little difference of opinion among hon. members with regard to increasing the tax exemption for every child.

With respect to the second paragraph, it seems to me that the phrase, "invested capital" does not indicate the distinction which the hon. member and many of us would make, that is, the distinction between earned and unearned income. The right hon. leader of the opposition (Mr. Meighen) has already pointed out that the income on savings is earned. I think there should be no discrimination against such income. I do believe, however, that in the administration of income tax we ought to make a distinction between earned and unearned income, and during the debate on the budget, when I trust the hon. member will be in his seat, I shall discuss the matter more fully than I care to at present.

With regard to the third clause, it seems to me that the right hon. leader of the opposition has made a very practical suggestion to avoid what is obviously unfair at present; that is, that the family shall be taken as a unit in considering the income. If I understood the hon. member for Chambly and Vercheres correctly, he advocates the splitting up of the unit income into two parts, that of the husband and that of the wife. In this event we would have the double exemption in practically every case.

Mr. ARCHAMBAULT: May I point out to my hon. friend that the ruling of the department is that in the case of people married under separation of property there are two exemptions, one for the husband and one for the wife; but that those who are married under the regime of community of property are entitled to only one exemption. My hon. friend will appreciate the difference in taxation. In the one case there is taxation on $2,000 only—$80; in the other case there is taxation on $4,000—$160.

Mr. GOOD: The ruling of the department is obviously illogical and absurd, as the hon. member has pointed out, and I think some remedy should be devised. I would suggest that the family be considered a unit, and that the particular ruling which applies to people married under the regime of separate maintenance should be abrogated. If that is the intention of the hon. member, I shall be very glad to endorse his position. Again, I commend my hon. friend for bringing this matter to the attention of the House.

Mr. FORTIER (Labelle) (Translation): Mr. Speaker, the resolution of the hon. member for Chambly and Verchères (Mr. Archambault) aims at amending the Income Tax Act, so as to decrease the burden which weighs upon heads of families. It is a most popular resolution. It has the support of all heads of families in this country, and certainly the hon. Acting Minister of Finance (Mr. Robb), who acceded to this request, performed an act deserving the approbation of the country by assuring us that this tax exemption for each child under 18 years old, will be changed from $300 to $500.

Do we always do the right thing, when legislating for the head of a family, for the one who has the care of a home, for the father who is surrounded by numerous children whom he is obliged to bring up, feed and provide with the necessary education? Do we perform our entire duty towards the head of a family? For my part, when it is a question to help my electors, the person who is at the head of a large family is always given preference. I think that we can never do too much to acknowledge the sacrifices he makes so as to bring up his family in a proper way. One of our great statesmen of the province of Quebec, the hon. Honoré Mercier, had one of the most popular measures passed which consisted in the grant of a parcel of land containing 100 acres to the father of twelve children. His successors carried out the same policy for a certain time. Unfortunately, to-day, this grant is abolished. The example given by this great statesman should be followed, I think it is somewhat in this spirit that the hon. Acting Minister of Finance has promised this House to further help the head of a family by unburdening him of the income tax which weighs so heavily upon him. By lightening the burden, it is, in a way, the country which comes to the rescue of the toiler, of this home provider, of one who has brought up numerous children; and rightly are we doing so. Glancing over this land of ours, I notice that as a whole the country reflects the development of its smaller units which are the towns and parishes. And who are those responsible for the development of these smaller units of our fatherland? They are the heads of families. They are the ones who, by their sacrifices, create the activities extant in these small country places and it is the latter which ensure the prosperity and wealth of our country.

There is another reason that should induce us to protect the head of large families, it is that to be powerful, countries are bound to have numerous subjects. The great nations, are those that are peopled by millions

of citizens, such as England, France, the United States and all the countries that are densely populated. In our young country we strive to increase the number of our inhabitants. Should we not favour the makers of homes, should we not encourage the heads of families, should not our thoughts dwell on the cradle? We do give some thoughts to all this when we support the resolution of the hon. member for Chambly and Verchères. It is, therefore, with pleasure that I give my sincere support to this resolution. I know not of any more popular measure which can be adopted by the government to further lighten the burden of taxation.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, the hon. member for Chambly and Vercheres (Mr. Archambault) has, if anything, added to his already widespread popularity by again bringing forward this resolution. I recall that in response to the resolution and the speeches of the hon. member on this subject on a former occasion, the exemption of $200 which was in the original act was increased in 1922 to $300, and I am willing to give him the credit for having advanced that idea. This year the government, recognizing the justice of the request, have proposed to increase that exemption to $500, and the resolutions are now on the order paper.

As I listened to the hon. member for Chambly and Vercheres it occurred to me that I would like to enlist his sympathies and his energy and support toward trying to collect taxes from those who apparently sit up at night trying to evade the just payment of them. It is apparent from the experience of the administration that there are a good many people trying to evade taxes who are quite able to pay and that we have the least trouble collecting taxes from those who, perhaps, are the least able to pay. I admit that there are some defects in the act and that the legislation should possibly be reviewed. I am inclined to agree with the right hon. leader of the opposition (Mr. Meighen) in his observations in regard to the exemptions as between husband and wife. It seems to me that the fairer method would be to recognize the home as a single unit.

I do not wish to delay the House more than to say this: All that the hon. member for Chambly and Vercheres asks is that we give the matter consideration. We are always prepared to give fair consideration to all measures brought before the House. The government offer no objection to this resolution.

Motion agreed to.

[Mr. Fortier.]

IMMIGRATION OF CHILDREN FROM GREAT BRITAIN

Mr. JOSEPH ARCHAMBAULT (Chambly and Vercheres) moved:

For a copy of all correspondence exchanged between the government of Canada and other governments, corporations or individuals relating to the proposed acceptance, by the government, of the sending into Canada of about fifty thousand children now occupants of houses of detention, reformatories, or beneficent institutions of Great Britain.

He said: Mr. Speaker, in the month of January last there appeared in the press a despatch which indicated that an offer had been made to the Canadian government by some institutions in England to send to Canada 50,000 children from reformatories, houses of detention and beneficent institutions. I do not wish at the moment to discuss the question of immigration; my motion is only for the purpose of having the correspondence in respect to that offer tabled in the House. Until I shall have had an opportunity to peruse the correspondence I shall refrain from making any remarks regarding the advisability of accepting any such offer. I only wish to point out to the government that if it is true that the larger number of these children would come from such institutions as I have mentioned, their inheritance might be dangerous, and the wisdom of allowing them to come to this country is questionable. For my part I would be very chary if I were in the government about taking any such chances without examining very carefully into the circumstances. Undoubtedly these children, some of them destitutes, some of them criminals—because they come from reformatories—deserve sympathy and assistance, but I submit that charity begins at home. I shall not make any further remarks on the subject at this stage, but will simply move that the correspondence be tabled.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, this is a matter which, it seems to me, is of very great importance indeed to the whole country. We have from time to time had a good deal of discussion as to the character of the live stock we admit into this country. We have had a good deal of discussion with regard to the maintenance of a high standard of seed grain and that kind of thing, but apparently we have not yet taken it into consideration that it is tremendously important that we should have as high a class as possible of human beings if we are to develop in this country a high grade of Canadian citizenship. For some years I had considerable to do with the immigrant people of western Canada, perhaps

particularly with the younger people among the immigrants, for some time having to make investigations with regard to the character of these immigrants. No one can come into close contact with the peoples coming to this country without recognizing that we have been altogether too slack in regard to the character of our immigrants. I do not wish to impress my own personal views upon the House, but propose rather to quote a few passages from the second interim report of the Public Welfare Commission of Manitoba, as printed by the order of the legislative assembly of Manitoba in February, 1919:

A careful study of the figures regarding the nationality of the various persons examined makes it more than evident that Canada has received an undue share of immigrants who under a proper system of inspection would not have been allowed to enter this country. Those familiar with social conditions among the defective classes realized that the welfare of the nation is seriously threatened by the influx of undesirables, and a brief survey of the facts obtained in Manitoba are of interest. Let us consider those in regard to illegitimacy, defectives and delinquents, as under these three headings we shall find grouped the worst of the imported classes. In considering these facts it must always be remembered that the Canadian population of Manitoba is 46 per cent of the whole. In other words, the foreign born outnumber the native born by almost three per cent. * * * * * To deal with the jail population of the province, taking 400 consecutive admissions to the jails, what do we find? Twenty-three per cent are of Canadian birth, while the Austrians, who should under normal conditions only number eight per cent rise to thirty-three per cent of the total; and the Russians, who should number 1 per cent, contribute 11 per cent.

It is not clear from these figures as to what is the underlying reason that these foreigners should contribute a larger per cent to the jail population. It may be, and in my own judgment it is, very largely owing to the fact that we have rather bad social conditions to which these people come, and we have not yet provided the machinery for welding them into our Canadian citizenship; but it may also be, and to a certain extent I think it is true, that some of them come of a stock that is not altogether desirable, or that their children when first introduced into this country are not able to fit into our life here.

Taking another table—there are a number given here, and I shall quote from only a few:

Nationality of 269 unmarried mothers in Grace Hospital and Misericordia Hospital during the past year: British, 44.23 per cent; Canada, 25.76 per cent; United States, 9.23 per cent.

And so on. I will not give the smaller percentages. The comment is:

It is somewhat surprising to find such a proportion of British born among these mothers of illegitimate children, but comparing the figures with those of a study of 266 cases in the last two years in one Ontario hospital, we find the most striking similarity; in Manitoba, 44 per cent; in Ontario, 40 per cent. When we study the character of much of the immigration we are in a position to make clear some reasons why such burdens have been imposed upon a long suffering public. In the craze for numbers we have allowed quantity rather than quality to be the slogan, and no better illustration can be brought forward than that furnished by a brief survey of the 266 Ontario cases. Eighteen (22.75 per cent) of the British born mothers were brought to Canada by one well-known home which has already foisted an immense number of defectives on the Canadian public, as the records of criminality and deficiency will show. Surely this one fact should be worthy of serious study by the Dominion immigration authorities. When it is stated, too, that only 26 of the 266 could be classified as normal—45 borderline cases, 191 feeble-minded, and 4 insane and feeble-minded—further comment is unnecessary.

Again:

As pointed out before small wages and mental defect have a much closer connection than superficial students of social conditions suspect.

I quote again:

From a study of immigration statistics it is evident that some nationalities have contributed far more than their share to the defective and insane classes. Now that we appreciate this fact it is evident that the attention of the federal authorities should be asked to make a careful study of the whole problem and provide the proper remedies.

That report, as I have said, was circulated in 1919 by the legislature of Manitoba. We are told by those who have charge of the juvenile immigration that the idea is to relieve the Motherland of a large number who find it hard work to make a living over there and to give these young people a chance out here. In the foreword of the report of the Supervisor of Juvenile Immigration we read:

Juvenile immigration is a direct response to what humanity pleads, patriotism wants and Christianity demands—giving the younger generation a chance.

But as we read on in the report there grows upon one the suspicion that the real reason for developing our juvenile immigration is that we may be provided here with cheap child labour. Expressions are used with regard to the distribution of young workers, with regard to their services. It also says:

The importation of thousands of boys and girls of ages varying from fourteen to eighteen years, will in a large measure meet the needs of Canada in respect to farm and domestic labour.

Are we to be dependent for our development upon the importation of these children from the old land?

Mr. ARCHAMBAULT: What is my hon. friend quoting from?

Mr. WOODSWORTH: From the report of the Supervisor of Juvenile Immigration, for

1923. Still further in his report he points out that of these children who come 1,426 are wage-earning. The total wages paid to the above children amount to $173,190; that is, they are employed at an average of a little over $100 each per year. It is a serious situation; as I have said, we import these children under the guise of philanthropy and turn them into cheap child labourers. Again quoting from the report:

It was ascertained that the outstanding condition of the children was poverty, but the great majority are the children of respectable parents.

As regards these children who come from respectable homes of the workers of Great Britain, I may say that at the present time in England there is a very strong protest being made against allowing their migration. It is being felt over in the Old Land that children should not be forced to leave respectable homes there and be sent to this country. Again quoting from the report:

The children come largely from overcrowded centres of population, London and the surrounding towns supplying the greater proportion of the children in the homes.

Some of us who have lived in the slums of East London and have visited some of the institutions there, who have lived among the people in their homes, while having every sympathy with the poor there cannot view with any great equanimity the bringing over of that class into Canada with the idea of building up a strong Canadian public. Again quoting from the report:

There are openings throughout the Dominion for British children of all ages but of course these openings are affected by the positions the children are expected to fill on arrival here, viz.; helpers from ten to thirteen years of age placed under principle of adoption or boarded out—various ages up to fourteen —workers fourteen to seventeen and over.

And again:

The most suitable ages to send a child to Canada for service are from five to fourteen years for boys, and from thirteen to sixteen for girls.

Do we propose in Canada to import children for service from the tender age of five years up to the age of fourteen for boys, and of the age from thirteen to sixteen for girls? I should like to read a clipping concerning one of the older boys brought over here at the time of the harvest excursion last year. This is a despatch from Brandon, Man.:

Trying to die by starvation because he had no money to take him back to England and because he was afraid of the stern Canadian winter he had read about, Walter Jones, a 19-year-old lad, who came to the prairie in the autumn with a contingent of British harvesters, crawled into a haystack on a farm at Rapid City and waited two weeks for death.

Suffering from terrible frost bites, his body emaciated from hunger, he is in the Brandon General hospital to-day. He will recover, but doctors say they will have to amputate both feet.

The youth had worked in the Rapid City territory throughout the harvest season, but he found himself without funds when the threshing finished. Depressed, lonesome, friendless, he decided to end his life. So he began his vigil, buried in his hay pile, out in the centre of an open stretch of country.

Then a little later on the despatch says:

Fourteen days and fourteen nights passed before the first determination, which had brought him to his haystack, crumbled and gave way to the demands of agony. Half mad he came from his place of hiding, staggered, stumbled across the prairies.

And so on. I know this is a very extreme case, but it is not an isolated case by any means. We have had within the last twelve months, both in western Canada and in the province of Ontario, a very considerable number of cases in which children who have been brought to this country have suffered very greatly at the hands of some of the foster parents and of their employers, a few of the children having been driven to commit suicide. This problem was discussed at great length last autumn at a Child Welfare Conference held at the city of Winnipeg at which reports were presented from the various child caring agencies in all parts of Canada. From the statistics there presented, and the investigations which were subsequently made, I should like to quote a few statements. The question was asked very clearly at this conference: "Does Canadian public opinion countenance importation of child labourers into this country?" And then the report from which I quote goes on to say:

The social workers of this Dominion are more than half convinced that, under the guise of child immigration, child exploitation is not only tolerated, but actually assisted by Canada's present juvenile immigration policy which has been followed for the past twenty years.

If the idea is to settle children in farm homes across the country, the question that the child welfare workers asked in this conference was "Why not so settle the children that are already in our own homes in Canada." The report continues:

To date, with returns from but six provinces complete, there are in Canadian institutions 21,557 wholly or partially dependent children, distributed as follows:

British Columbia	723
Alberta	966
Saskatchewan	353
Manitoba	1,315
Ontario	2,533
Quebec	15,667
	21,557
New Brunswick, St. John, Protestant Agencies only	75
Moncton	40

The social workers who are collecting the figures have not yet succeeded in getting returns from all the provinces.

Mr. STEWART (Argenteuil): Could my hon. friend give the institutions in Alberta engaged in this work? They are not under the care of the provincial government.

Mr. WOODSWORTH: I am not prepared to give the names of all the institutions but I have the figures in the case of Manitoba. I am quoting from the statistics collected by the child welfare workers.

Mr. STEWART (Argenteuil): Are these the children that might be put into foster homes?

Mr. WOODSWORTH: A certain proportion are.

Mr. STEWART (Argenteuil): Because we have never had enough children that were not mentally deficient to go round in Alberta.

Mr. WOODSWORTH: I am quite well aware as the minister states, that a certain number of these children are not mentally capable of being placed. But as far as my own experience goes with our child welfare work in the city of Winnipeg there are a large number of homes that apply to which we will not send the children at all. And that is a point to which I shall come in a moment, I think the inspection is deficient. Again to quote from this report:

> The placements in these provinces carried out by the provincial agencies for the last year amounted to 2,814 children, though 3,924 applications were received.

This bears out the contention of the minister:

> These provinces in the aggregate could not place in suitable homes as many children as they have applications. The province of Quebec states definitely it cannot take any juvenile immigrants. Yet over and above these children the Juvenile Immigration Department is prepared to bring in under the Empire Settlement scheme 5,000 juveniles a year. And for 1922 and 1923, the Department of Immigration had under their supervision in these provinces, 3,125 (page 58 of 1922 report) and 3,513 (page 57 of 1923 report). The child welfare workers of the Dominion contend that this can be possible only because lower standards of placement in the choice of homes are being observed by the immigration agencies and the Federal Department of Immigration, than are tolerated by the public opinion of the provinces as represented in their child welfare work.

Again:

> This lack of provision for at least one visit in the year in order to guarantee regular supervision of 4,336 children is witness of social work, which so far fails to conform to modern standards of child-placing.

That is a point I should like to emphasize. In nearly all our cities to-day we have developed fairly efficient children's aid societies and child placing agencies and the workers who are engaged in this particular branch of social service are very earnest in insisting that certain standards should not be lowered. They think that before a child is placed in a foster home that home should be visited. They think it is not sufficient to obtain excellent reports as to the welfare of the child, perhaps from the employers themselves. They urge that there should be inspectors who would go out into the district, carefully inquire from the neighbours, see for themselves the conditions and report to the officers in charge. In the case of immigrant children this is not being done. There is less than one visit a year paid to the homes of these children, this permits a great deal of laxity which in some cases involves cruelty to the children. A suggestion has been made that a very considerable number of our own home children are not fit to be placed in foster homes. That is true, but I should like to point out that there is a very large number of old country home children who belong to precisely the same class. Let me quote again from this report as follows:

> We submit the evidence of a few of the clinics maintained in Canada, in support of our contention that adequate precaution is not being observed in this field of immigration.
>
> In one general health clinic in Toronto alone, 128 cases of juvenile immigration brought out in recent years by the same agency have required attention. Of these 23 were boys and 105 girls. Their story of social disaster is briefly summarized,—
>
> Of the girls, 105—40 per cent confirmed prostitutes, 25 per cent venereally diseased, 70 have had 94 illegitimate children, 95 per cent examined mentally abnormal.
>
> Of the boys, 23—2 known to have had venereal disease, 95 per cent examined mentally abnormal.

Mr. ROBB: Will the hon. member just quote the record to the statement he has already made and say what society he is referring to.

Mr. WOODSWORTH: I will give the minister the name of the society later on. This report continues:

> We quote further a statement of Dr. Eric K. Clarke, of the Canadian Committee on Mental Hygiene, "It is a well established fact that 75.3 per cent of the mentally defective children found in our public schools are there as a direct result of our lack of immigration inspectors. 27.9 per cent of these children were born outside Canada, while the remaining 47.4 per cent were born in Canada of parents who arrived since the beginning of the present century. Only 24.7 per cent of our subnormal children can be truly classed as coming of Canadian stock."

I think that is a very significant statement; only 24.7 per cent of our subnormal children can be truly classed as coming of Canadian stock. We have to deal in all our cities with immense numbers who are imported and will constantly be a drain on the resources of the country and a menace to our whole community life. The report continues:

> We also quote a summary of a survey carried out by the Toronto General Hospital of a certain agency's girls since 1917.

Agency girls known to the Social Service Department since 1917.

Number	125
Ages ranging from 14	43
Majority between 18-21 years inclusive.	
Occupation, Domestic	77
Factory workers	11
Mentality, Mentally defective	77
Dementia Praedox	5
Normal	6
Not diagnosed	37
With two or more illegitimate children	18
Prostitutes	36
With Gonorrhoea	12
With Syphilis	16
With both V.D.G. and V.D.S.	3
Served jail or Mercer terms	4

The question was asked at the Child Welfare Conference, "Is Great Britain unloading her child problems on Canada and being subsidized $40 per child—a total of $80—by the respective governments under the Empire Settlement Scheme?" I think I might well read in this connection a paragraph published in the Manchester Guardian of April 11th, 1923, by Henry Cotton, in which the following view is advanced. I am summarizing this as I proceed:

> Child immigration originated in the desire on the part of the Poor Law authorities in Great Britain to rid themselves of the responsibility of providing for the boys and girls in their charge, when they were prevented by law from working in the factories. Instead of adopting educational measures to meet the case, the authorities conceived the plan of shipping across the Atlantic as many boys and girls as they could persuade to go.

It is not my desire to comment on these extracts. I think they speak for themselves. It seems to me that there are two or three things that would be absolutely necessary if we are to bring child immigrants to this country. One would be a most rigid and careful examination of the children before they leave the Old Country, an examination not merely for physical defects but an examination in regard to their mental condition. I could quote, were it necessary, some statistics made by our immigration medical health officers with regard to the large numbers that slip through the hands of our inspectors. As one medical man said to me at the city of Quebec, "We can easily recognize as unfit a man who is minus an arm, a leg or an ear, but we cannot tell whether or not he has any brains inside his skull." We need more careful inspection.

There is another very practical point and that is with regard to the payment of children's wages. Under the present management the department leaves the matter entirely to the agency and the employer. Surely, it is not safe to trust this matter entirely to an agency of this character. The agency should be subject to the inspection of the provincial child welfare authorities.

Still further I would urge that the children and the homes should be under careful inspection of the provincial authorities. One of the inspectors speaking at Winnipeg admitted that sometimes reports were taken from various land agents and others as to the character of the homes in which the children were placed. Surely, it is not fair to the little children we bring here to allow interested land agents to report as to the character of the foster homes or of the homes in which they are employed. Still further, may I urge a point that I have brought up in another connection? The care of defective and dependent children under our existing arrangements is entirely a provincial matter, just the same as the federal government would make unemployment a provincial matter; and yet the federal government can bring in any number of immigrants it pleases, including any number of these juvenile immigrants who may or may not be defective; and unload them upon the various localities, while the localities are perfectly helpless. The local community must go on building bigger and yet bigger institutions to care for them. It would seem to me that this is a matter that requires from this House a great deal more serious consideration than has ever been given to it.

Hon. J. A. ROBB (Minister of Immigration and Colonization): To the resolutions suggested by the hon. member for Chambly and Vercheres (Mr. Archambault) the government offers no objection. The records show we have no correspondence whatever in the department between the government and other corporations or individuals relating to the proposed acceptance by the government of the sending into Canada of about fifty thousand children now occupants of houses of detention, reformatories, or beneficent institutions of Great Britain.

I imagine, however, my hon. friend has in mind the statement made in Toronto by Mr. M. J. O'Brien, who claimed to be representing the British Immigration and Colonization Society. According to newspaper despatches, he made the statement that he expected that 50,000 boys would be brought to Canada in 1924 from the Mother Country. I do not know Mr. O'Brien; I do not know what authority he had to say that he was representing any immigration society in the Old World.

As regards the question generally, I am not prepared to admit all that has been said by

the hon. member for Centre Winnipeg (Mr. Woodsworth). I am prepared to say that, as the years go along, and more immigrant boys and girls are coming to Canada, we should have, I would not say, a more rigid inspection, but as it is just possible that the staff has been undermanned, I think we should have more inspectors. Generally speaking, however, I am not prepared to say that Canada has suffered from immigration coming to us particularly from the Motherland. I will admit that in past years some immigrants have been admitted who, perhaps, should not have been admitted to Canada. Each year the inspection is made stricter and stricter. We do not always meet with public approval; it is not always easy for officials of the department to give rulings protecting Canada; but the instructions to the inspector of the Immigration department are that they are to take care of Canada rather than of families coming to Canada. It sometimes happens that an excellent family leave their home in the Old Land to come to Canada, and that when they reach the port of debarkation in Canada it is discovered that, possibly in a family of four, five, six or seven, one child may be defective, perhaps that child is a little girl, and it is pretty hard to separate her from her mother and to send her back home. No later than this year the department have had protests from different organizations in Montreal. I recall one case where the department thought it better that the girl should be sent back home. Other members of the family, the father and, perhaps, two of the boys, had already been more than a year in Canada; they had established a home, and they had sent word over to the mother to sell out their little belongings and to come and join them in the new home in Canada which they had built for them.

Mr. WOODSWORTH: That is an altogether different proposition from the one which we are discussing. We are speaking about the bringing over of unattended children, quite apart from their homes and their parents.

Mr. ROBB: I will come to that in a moment. When the department, representing the people of Canada, was insisting upon sending this girl back, we had protests from social organizations, church organizations, fraternal organizations, against this inhuman method of treating people coming into this country. I mention this to show the difficulty we have.

As regards the homes that have been bringing people to this country, they are not all bad. notwithstanding the figures which my hon. friend has presented, there are in Canada many splendid citizens who have come to this country in that way, who have established homes for themselves, who are taxpayers and who, perhaps, are now members of the executive administering some of these homes. The federal department is not the only immigration department which is operating at the present time. Some of the provinces, indeed, I think the majority of the provinces, have agencies in the Mother Country, and they are arranging to bring people to Canada. It may interest the House to know that last year—and I speak from memory—we had applications for about four times the number of boys and girls that we were able to supply, and these applications were all from good homes, homes that were certificated by the mayor of the community, or the resident clergyman.

Mr. GARLAND (Bow River): Were those homes, in the majority rural or urban?

Mr. ROBB: I think they were mostly rural. I would imagine that most of them would be rural, although I am not definite as to that point. For that reason it is proposed to try to select and to bring to Canada children to meet that demand. But as I said in the beginning, orders have been sent out to the different inspectors to be most rigid in their inspection before these children are allowed to start out for Canada. Not only is it the desire of the department to examine carefully the children before they come to Canada, but we are endeavouring to have a more careful inspection of the different homes into which they go.

Mr. GOOD: Is there any inspection of the mental condition of the children, intending immigrants? Has any attention been given to feeble-mindedness?

Mr. ROBB: I said just a moment ago that we had turned back several, and sometimes we are compelled to separate families. That is what causes protests to be raised with the department. I should like the House to believe that it is the desire of the government and the Department of Immigration to examine carefully, not only juvenile immigrants, but all immigrants coming to Canada. We realize that these people are coming here to be fellow-citizens with us, to be members of our family, and we are all interested in having the very best immigration. We have sent word over to the other side to tell the British authorities emphatically that we do not want people sent to Canada whose record is not of the very best. I should like to assure my hon. friends that the department is doing and will

do everything possible to see to it that there is a rigid inspection of immigrants coming to this country, and that care is taken of the immigrant after he comes to Canada.

Mr. GARLAND (Bow River): What was the reply received from England when the minister sent over the request that only the most select should be sent to Canada?

Mr. ROBB: We sent the instructions to our agents. We are not worried much about what the people on the other side say. We have in England Canadians representing Canada, and they are the people to whom we look to protect the interests of Canada.

Mr. MARCIL (Bonaventure): Do the deportation clauses of the Immigration Act apply to children? Supposing the department meets with a bad case that has been here for a couple of years, can such a child be deported?

Mr. ROBB: I could not say offhand about the number of years, but the deportation clauses apply to children.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I should like to add my voice to those who are protesting against the possibly lax, or what looks like lax, immigration of children. It would seem to me that the way to attack this problem is to turn our full attention to the possibility of raising the standard of life on the farms of Canada. Then the farmers would not require cheap child labour.

But there are really two sides to this question. In my home we have had many immigrant boys between the ages of fourteen and sixteen, and of these I remember only one who was satisfactory to us and happy in his new surroundings. I feel sorry for the children; I also feel sorry for the people who sometimes have to put up with unsatisfactory help. When the hon. member for Centre Winnipeg (Mr. Woodsworth) began to speak I was writing a letter to the county of Dufferin authorities asking who could take charge there of a family of six children. They are all Canadian born, and their parents are Canadians. Unfortunately the father does not like work. The children, however, cannot help their father's laziness, but by reason of it they are getting insufficient to eat and exceedingly little to wear, while their education is entirely neglected. This is a case in Ontario of native born children. I suppose there must be some way in which we can help these unfortunates.

It would seem to me that our greatest problem is to help our Canadian children by raising the standard of life, particularly in rural districts. This would do away with the demand to bring in any kind of labour in order to get work done very cheaply, especially on our farms, because farmers are not getting sufficient returns from the sale of their products to pay the rate of wages which good and intelligent labour commands. I think the department should be exceedingly strict and admit only such children as are strong in body and intelligent.

The minister really did not answer the figures given by the hon. member for Centre Winnipeg. These figures were not compiled by someone trying to make out a particular case. They were compiled by social service workers who are trying to benefit poor immigrant children. Undoubtedly it is a great loss to pay out money to bring such children here when, as too often happens, the provincial authorities have to incur the cost of keeping defectives in detention homes, penitentiaries or insane asylums. It is a serious problem, and no pressure brought to bear by colonization bodies or homes should affect the government in the rigid enforcement to the limit of all restrictive regulations directed to the exclusion of defective immigrants.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I do not desire at this time to enter into a tedious debate of this particular question. My own position, I think has been made abundantly clear in the past. Two years ago on the immigration debate I took the opportunity of pointing out the evils which have been so trenchantly brought to the attention of the House to-day by the hon. member for Centre Winnipeg (Mr. Woodsworth). When the proper time comes I may again have more to say on the subject.

May I, however, take this opportunity of completely dissociating myself from those who endeavour to exploit children from other countries? If the government is to be a party to any such plans, I would urge upon the minister concerned more and more mature consideration of all that they involve. Canada is a young country, and we cannot afford to debase our nationhood. Having commenced our development late instead of in the early days of Christianity, we ought to profit by the lessons of other countries. I think the greatest danger to be apprehended is from the government apparently lending a willing ear to those who bring pressure upon it to relax restrictive regulations in order that they may secure child labour for farms and other places. I protest, Mr. Speaker, against such exploitation.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I am not familiar with conditions in the West, but I know something of conditions prevailing in the province of Quebec, having had to do with this matter while a commissioner of the city of Montreal. If I caught the figures rightly which were presented by the hon. member for Centre Winnipeg (Mr. Woodsworth) fifteen thousand children are being cared for now in various institutions in the province of Quebec. Already we have to look after thousands of such children in the city of Montreal. I do not think child immigration would be looked on with favour in the province of Quebec where the birthrate is very high. Only a few weeks ago legislation was passed in Quebec dealing with this subject, and I think it would be well for the minister to consult the authorities of the province before encouraging child immigration.

Mr. ROBB: May I point out to my hon. friend that the total child immigration into the province of Quebec for the year ending the 3rd March, 1924, was 203, of whom 117 were brought out by the Catholic Immigration Association; 3 by the Church of England; 5 by the Salvation Army; and 11 by the National Children's Home.

Mr. MARCIL: I am glad to know the number is so small, and I am also glad to observe that no French Canadian institution has been engaged in this work, because in the province of Quebec we do not need to bring in children from the other side of the Atlantic. I think it would be wise on the part of the department to consult with the municipal authorities, especially those of Montreal, which is the largest centre for immigrant children, and where conditions are changing rapidly from year to year owing largely to the increase of foreign population.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I am very much interested in the report of my hon. friend from Centre Winnipeg (Mr. Woodsworth) on investigations carried on with respect to juvenile immigration into Canada. However, I would point out to him that there is a very strong desire to bring in all classes of immigrants provided they are physically and mentally fit. That is, and always has been, the first requirement, but it is hardly to be expected that out of an influx of a few hundred thousand every defective immigrant will be detected and turned back.

Dealing particularly with the subject matter of the resolution, that of child immigration, two years ago there was a demand for over five thousand children, mainly from homes that were certified by the provincial authorities. I shall deal in a minute or two with the provincial aspect of the case, because as my hon. friend has rightly pointed out, the provincial authorities become responsible for immigrants when placed, whether they be children or adults. It would appear therefore that there was a reasonable demand for these children, every one of whom was required to be under the age of fourteen years. I state most emphatically that no child below the age of fourteen years is being brought to Canada to earn its livelihood. The age limit from fourteen to eighteen was more or less an experiment. My hon. friend is quite correct when he states that at that age there is an expectation of some results from their employment; I am bound to say that that is not unreasonable. These boys and girls have passed the school age and their services might be expected to be of some value. They are bound to the family for a period of years, until they become old enough to take care of themselves. Only a few thousand of them are placed in this way, and one cannot say what the ultimate results may be. But they are given the regular inspection, and there must be the usual recommendations. In that unfortunate London case there was a good recommendation; the boy had been recommended by the clergyman and by influential people in the neighbourhood. In all matters of this kind there undoubtedly are lapses and there always will be.

Mr. WOODSWORTH: Will the minister suggest that an average of one inspection per year is anything like sufficient?

Mr. STEWART (Argenteuil): I am coming to that. The department does not attempt to send any children into a province where the provincial authorities are not prepared to agree that they be sent there, and the same applies to domestics. That is not true, perhaps, in cases where people are in a position to establish themselves, but it does apply to the two classes I have mentioned; at least, it has applied in the past two years. I am prepared to admit the statement of my hon. friend with respect to the immigration that came to Canada around 1920, but the medical inspection has in more recent years been tightened up. More than that, last year when we undertook to bring out children in a larger way than ever we provided for medical inspection before the children started. Despite that fact and de-

spite the inspection in our own ports, children will get through who are mentally deficient; I do not think that is overstating the case. But so far as it is possible to ascertain the mental condition of the children, that is being done. Furthermore, we are to-day asking for a history of the child, where he sprung from, what his environment has been, and so on. In England to-day there are a large number of children with a good history who have been splendidly cared for and who can be brought to Canada and established here. My hon. friend is probably referring to the results of what might be regarded as lax inspection. Well, that is the sort of thing we have been trying to overcome.

So far as establishing our own children is concerned, I fail to appreciate why there should be a demand for children from the Old Land if they are available here in Canada. As to Quebec, I did not know that two hundred of these children had gone into that province. There is no doubt that large numbers of children may be found in the homes of that province, being well brought up and well cared for, and any citizen of Quebec who wanted to have a child in his home should be able to obtain one. In our own province, during the period that I lived there, covering some twelve or fourteen years, every child who came under the inspection of the provincial government and who was physically and mentally fit could find a foster home at a very tender age, usually between three and four years. Undoubtedly those who adopt children at that age do not do so to exploit their services, but rather to bring them into homes where there are no children. That has been kept in mind by the gentleman from whose report the hon. member for Centre Winnipeg read; it is one of the things he lays a great deal of stress upon. It is true that he cannot personally visit all these homes. I think in Ontario they have a very splendid officer in the person of Mr. Kelso who does make frequent inspections. While I doubt whether we can get 100 per cent efficiency so far as mental examination goes, that is what the department has been aiming at by trying to improve and strengthen the medical inspection. Take, for example, the provincial mental hospital at Ponoka, Alberta; there is no use denying the fact that a great many people get into Canada who should never have been admitted. I found in the case of this institution that only a very small percentage of the inmates were native Canadians; by far the largest percentage of them had come from other countries. It is with a view to overcoming that condition that we have provided for more rigid medical inspection, and it is the aim of the department, as I have said, to reach the highest standard that it is possible to attain.

Mr. SPEAKER: If no other hon. member desires to address the House on this resolution, the mover will close the debate.

Mr. WOODSWORTH: May I ask one question? Is the sentence correct in the memorandum which I read, which stated that the arrangement was that the British government paid a subsidy of $40 and our own federal government $40?

Mr. STEWART (Argenteuil): Yes, that is correct with respect to the arrangement last year. I do not know anything about what arrangement was made this year. That was with reference to children under the age of fourteen, carefully selected.

Mr. ARCHAMBAULT: Mr. Speaker, since the Minister of Immigration (Mr. Robb) has declared that there is no such correspondence as is called for in my motion, I will withdraw the motion. I may say, however, that I do not regret having brought the matter to the attention of the House, because it has been the occasion of a very interesting and instructive discussion, especially in the speech of the hon. member for Centre Winnipeg (Mr. Woodsworth). The figures he has quoted only go to show that we should be very cautious in dealing with juvenile immigration. The Minister of Immigration has pointed out that quite a number of young men from good homes in England have become excellent citizens of this country. There is no doubt about that, but my resolution did not have reference to children coming from private homes, rural or urban. The despatch in the press which prompted me to put this resolution on the order paper stated that an arrangement had been made between the Canadian government and some institutions in England, such as reformatories, houses of detention and beneficent institutions, which wished to send these young children to Canada. Where it is proposed to have such children come to this country I think we should be very careful about what course we pursue; we should be very chary about accepting these offers. I wish to withdraw the resolution.

Mr. GARLAND (Bow River): Does the hon. member understand that the minister has no arrangement with any home?

Mr. ARCHAMBAULT: I understand the minister to have said that he has had no

correspondence in that regard and that there is no arrangement with any home. That, I believe, is correct.

Mr. WOODSWORTH: Are these homes still being subsidized as they were two years ago?

Mr. ROBB: What homes does the hon. member refer to?

Mr. WOODSWORTH: I am referring to the agencies or homes for the care of children who come out to this country.

Mr. ROBB: I have no knowledge of any such homes ever having been subsidized. We have an arrangement with the British government whereby we pay a part and they in the same proportion and if there are any homes operating they deal with the British government.

Mr. WOODSWORTH: Surely there is some arrangement between this government and the various agencies that are placing children in this country.

Mr. ROBB: I do not quite understand what the hon. gentleman is driving at but if he will let me know I will give him any information that I have on the subject when the estimates are under consideration.

Mr. WOODSWORTH: I understand that two years ago there was an arrangement by which the Canadian government paid $40 per head and the Imperial government a like sum for certain selected children to be brought to this country. My question is has the Canadian government any definite arrangement with certain homes or agencies in the Old Country or in this country in regard to this class of immigration?

Mr. STEWART (Argenteuil): The arrangement which we had a year ago was for a period of one year. There was no central home but there was an understanding that the children were to be acceptable to the Canadian authorities. Any legitimate organization might apply, but we reserved the right of inspection and also of investigation as to where the children should be placed and the kind of homes they were going to. Many such organizations have established homes in this country and some of them have been bringing children in for the last fifteen years. There was no necessity for establishing homes of the kind my hon. friend refers to so long as the children were physically and mentally fit and we knew that there was an opening for them in Canada before their arrival. That, of course, was also required by the British government before they were prepared to advance their share of the money. The Canadian government was made responsible for the accepting and the placing of the children, and half a dozen different organizations took advantage of this opportunity to place the children.

Motion withdrawn.

REGULATIONS FOR OBTAINING PASSPORTS

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

That, in the opinion of this House, reform is needed in the regulations for obtaining passports.

He said: It is no use my attempting at this late hour to elaborate a debate on this subject, and I have allowed the motion to be called simply because, as I understand, it gives me some strategical advantage when next the subject comes up: the motion will be on the order paper in a more favourable position. I suggest therefore, Mr. Speaker, that, as it is almost the hour, you call it six o'clock.

Mr. SPEAKER: I understand that the Acting Minister of Finance (Mr. Robb) desires to have the House revert to the order, Motions.

Mr. NEILL: I wish it understood, Mr. Speaker, that I am not moving the adjournment of the debate. I wish to retain my strategic right in regard to this motion.

Mr. SPEAKER: On Wednesdays the House adjourns without question being put and the Speaker does not call six o'clock. The Acting Minister of Finance would like to have the House revert to "Motions" in order to move that the report of Dr. H. M. Tory on Agricultural Credit be printed.

Mr. MEIGHEN: Then I suppose it is assumed that motion No. 39, which the hon. member (Mr. Neill) has just moved, has not yet been reached, technically. If it is six o'clock we cannot proceed.

Mr. ROBB: I do not wish to press the motion that would allow me to move that the report in question be printed.

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

Thursday, April 24, 1924

The House met at three o'clock.

UNITED CHURCH OF CANADA

Mr. PAUL MERCIER (Westmount-St. Henri): Mr. Speaker, I desire to present a

petition from the officials and members of the Melville Presbyterian church, Montreal, in opposition to the Church Union bill.

Hon. T. A. LOW (Minister of Trade and Commerce): I desire to present a petition of members and adherents of St. Andrew's Presbyterian church of the town of Renfrew in opposition to the Church Union bill now before the House; also a petition signed by officers of the Arnprior branch of the Presbyterian Women's League, in opposition to the Church Union bill; also a petition of the members and adherents of St. Andrew's Presbyterian church, Arnprior, in opposition to the Church Union bill.

Mr. HERBERT MARLER (St. Lawrence-St. George): I desire to present three petitions against the Church Union bill: first, of communicants of Knox Crescent Presbyterian church, Montreal; second, from the church of St. Andrew and St. Paul, Montreal, and third, from certain members of the First Presbyterian church of Montreal.

Mr. MATTHEW R. DUNCAN (North Grey): Mr. Speaker, in reference to the petition that I presented on April 9 against the proposed Church Union bill, I would like to correct the wording of Hansard of that date. What I intended to say was that I desired to present the petition of certain Presbyterians of the Owen Sound Presbytery opposing the United Church of Canada bill.

IRREGULARITY OF PETITIONS

Mr. SPEAKER: The Clerk of the House calls my attention to the fact that many of these petitions are not in order in that they are not properly headed. There is a special heading for each petition sent to the House of Commons, and when an hon. member receives a petition without this formality he had better consult the Clerk of the House with a view to having it put in correct form.

HOME BANK

Mr. EDWARD N. HOPKINS (Moose Jaw): Mr. Speaker, I desire to present a petition of residents of the province of Saskatchewan, depositors of the Home Bank of Canada, requesting that the government take whatever action is necessary to ensure the depositors of full payment of all their deposits.

LAW MEMORIAL—HANSARD REPORT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move, seconded by Right Hon. Arthur Meighen (Leader of the Opposition):

That the addresses delivered to-day by Mr. Speaker, the Prime Minister, the Right Honourable Arthur Meighen, Robert Forke, Esquire, the Honourable E. M. Macdonald, and P. Lacombe Hatfield, Esquire, on the occasion of the unveiling of the tablet to the memory of the late Bowman Brown Law, M.P., be printed in Hansard as a supplement to the proceedings of this day.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HOTEL SCRIBE

Sir HENRY DRAYTON:

1. What was the total amount paid by or on account of the Canadian National Railways for and in connection with the Hotel Scribe, Paris?
2. Was the said amount paid out of the cash receipts of the National Railways? If not, how was the purchase financed and at what rate of interest?
3. What is the name of the company now nominally owning the Hotel Scribe and who are the directors?
4. What is the total amount of taxes paid or payable in respect of the said hotel for the year 1923?

Hon. Mr. GRAHAM:

1. $2,733,693 including cost of property, taxes, imposts, removal of tenants, etc.
2. Current cash.
3. Société Anonyme Immobilière de la Rue Scribe; S. G. Archibald, Arthur Vanson, F. A. Young, Major Graham A. Bell, H. W. Harding.
4. $10,939.65.

Sir HENRY DRAYTON:

1. Was the title to the Scribe Hotel, Paris, taken in the name of Aronovici, when first purchased by the Canadian National Railways?
2. Has title to the said hotel been since transferred by Aronovici, and if so, to whom?
3. What taxes or imposts were paid in connection with such transfer from Aronovici?

Hon. Mr. GRAHAM:

1. Yes.
2. Société Anonyme Immobilière de la Rue Scribe.
3. $62,153.39.

EMIGRATION OF CANADIANS

Mr. CHURCH:

1. Is it the intention of the government to appoint a special committee of the House to investigate and report on the question of the great exodus of Canadian citizens to the United States and the reasons therefor?
2. How many Canadians have emigrated to the United States of America since the Great War closed, per annum?
3. How many of these were veterans of the Great War?

Hon. Mr. ROBB:

1. No.
2. No official information.
3. Answered by Nos. 1 and 2.

BOARD OF AUDIT

Mr. GARLAND (Carleton):

1. Respecting the report of the Malcolm Committee on the civil service, tabled last session, what action has been taken by the government?
2. Was it referred to the Board of Audit?
3. Has this board met?
4. If so, does it still meet?
5. Is the press report correct, to the effect that the new Auditor General declined to act in conjunction with the other members of the board?

Hon. Mr. ROBB:

1. Announcement has been made as to the government's action with reference to the matter of civil service bonus, salary revision and superannuation measure.
2. Not specifically. The report of the committee is a public document, available for the information of any body dealing with civil service matters.
3. Yes.
4. Yes
5. No.

FREIGHT RATES

Mr. HANSON:

1. Do the reductions in freight rates that are to go into effect in the Maritime provinces on April 14, apply to both class and commodity rates, or to class rates only?
2. How much freight was moved last year within the region to which these reductions apply?
3. How much was moved on class, and how much on commodity rates?
4. On the basis of the freight movement in 1923, what is the estimated saving in freight charges this year under the reductions?

Hon. Mr. GRAHAM:

1. Class rates only.
2. It is not possible, without making a detailed check of every shipment handled, to give any definite figures as to the volume of freight which was moved during the year 1923 on which the reduced basis will apply.
3. It is not possible, without making a detailed check of every shipment handled, to say how much was moved on class rates and how much on commodity rates.
4. An estimate, based on general knowledge of the situation, is approximately 10 per cent.

VANCOUVER ISLAND FREIGHT RATES

Sir HENRY DRAYTON:

1. What rates are proposed to be charged on logs and lumber to be moved (a) on the proposed line of railway from a point at mile 58.3 near Deerholme on the Vancouver Island Main line to Cowichan bay; (b) on the proposed extension of the Vancouver Island main line, from mile 74 to mile 100?
2. What is the estimated annual haul of lumber or logs in each case?
3. What other traffic, if any, is anticipated, and to what extent, in each case?
4. What return freight business, if any, will be carried in each instance?

Hon. Mr. GRAHAM:

1. Logs.—Movement will be largely to tidewater at Cowichan bay and, based on current rates applicable on other portions of Vancouver island, it is considered rates of from $2 to $3.50 per 1,000 feet, according to the distance, will be applied.

Lumber.—The rail movement of lumber will be largely to the prairies, eastern Canada and the United States and, based on current rates applicable from other points on Vancouver island, it is considered rates varying from 1½ to 3½ cents per 100 lbs. higher than from coast points will be applied.

2. It is estimated there will be an annual movement of over 150 million feet of logs and 50 million feet of lumber.
3. Practically nothing as the territory to be served by the line is essentially a timber country.
4. Largely supplies and machinery for logging camps and sawmills along the line.

VANCOUVER TERMINAL GRAIN COMPANY

Mr. BLACK (Yukon):

1. Has a lease of land been granted by the Vancouver Harbour Commissioners to the Terminal Grain Company, R. H. Gale, president, otherwise known as Spillers?
2. For what period has the lease been granted?
3. What rental is payable?
4. When does payment of rental commence?
5. Does the harbour commission hold title to said land, and, if so, what is the legal description?
6. When did the harbour commission acquire said property, and what amount was paid for it?
7. Was said property acquired by private purchase or by expropriation, and from whom was said property purchased?

Hon. Mr. CARDIN:

1. Yes.
2. 99 years.
3. From August 1, 1923 to August 1, 1924, a sum of $2,566.67. From August 1, 1924 to August 1, 1964, $12,000 per year. From August 1, 1964 to balance of term at a rental to be agreed upon, but failing any agreement to be set by arbitration.
4. August 1, 1923.
5. Yes, it is a portion of property to which title is held by the commissioners under an agreement of sale. A description of the area included in the lease to the Terminal Grain Co., is in the appendix hereto attached.
6. May 14th, 1923; $325,000. $50,000 cash; balance spread over two years.

7. The property was acquired from Fred William Tiffin by private purchase. Expropriation was considered, but, owing to the fact that there was a going business in the shape of an operating lumber mill, with personal property of insurable value of $112,000 located thereon and that the loss entailed in the removal of this business would, undoubtedly, be considered in the arbitration fixing the value to be paid for the property by expropriation, and the purchase price being within the amount fixed by independent valuation and less than the amount estimated as the probable arbitration award, the commissioners adopted the first method as being the cheapest price at which to obtain the property. Valuation was made for the commissioners by the firm of A. M. Pound & Co., valuators, Vancouver, B.C.

Appendix

F. W. TIFFIN

All and singular those certain parcels or tracts of lands and premises situate, lying and being in the city of Vancouver, in the province of British Columbia and more particularly known and described as lot one (1) in block one (1) subdivision "E" of district lot one hundred and eighty-three (183), group one (1), New Westminster district according to a map or plan deposited in the Land Registry Office at the said city of Vancouver and numbered 5155; together with all the right title and interest of the vendor in the tidal lands and premises in front of that portion of said lot number one (1), formerly known and described as lots numbers one (1), two (2), and three (3) block (1), subdivision "E" of said district lot one hundred and eigthty-three (183) and more particularly described in the quit claim of the same from His Majesty the King in right of his Dominion of Canada and dated the 29th day of June, 1906, to Forbes George Vernon; and secondly, all and singular those certain parcels or tracts of land and premises situate, lying and being in the said city of Vancouver, in the province of British Columbia, and more particularly known and described as follows, that is to say: Firstly, lot fourteen (14), in block number one (1), subdivision "D" of district lot one hundred and eighty-three (183), group one (1), New Westminister (now Vancouver) district, according to a map or plan deposited in the Land Registry Office, at the said city of Vancouver and numbered: Secondly, that portion of the foreshore abutting on the said lot fourteen (14) not expropriated or acquired by His Majesty the King in right of the Dominion of Canada, and which may be shortly described as follows, that is to say: Beginning at the intersection of the easterly boundary of said lot 14 with high water mark on Burrard Inlet thence northerly along the prolongation of the said easterly boundary a distance of 140 feet more or less to a point distance 450 feet from the southeast corner of said lot 14; thence westerly and parallel to the south boundary of said lot 14 a distance of 45 feet more or less to the intersection with the western boundary of said lot 14 produced northerly; thence southerly along the said production of said western boundary of said lot 14 a distance of 160 feet more or less to the intersection with high water mark on Burrard Inlet; thence easterly following along the said high water mark a distance of 44 feet more or less to point of commencement.

[Mr. Cardin.]

MR. WILFRID LALIBERTE

Mr. ROBERGE:

1. Has Mr. Wilfrid Laliberté, advocate of Arthabaska, county of Arthabaska, province of Quebec, been in the employ of the Dominion government from the year 1914 to 1921 inclusive?
2. If so, what were his duties?
3. What amounts was he paid for services from the year 1914 to 1921 inclusive?
4. Where were his professional services rendered?

Hon. Mr. LAPOINTE:

1. Yes.
2. Legal agent in prosecution for Departments of Inland Revenue and Agriculture
3. $478.90.
4. In the counties of Arthabaska and Drummond, Quebec.

CANADIAN NATIONAL RAILWAYS—COLONEL J. CARLETON BROWN

Mr. CHAPLIN:

1. Is Colonel J. Carleton Brown an officer or employee of the Canadian National Railways?
2. If so, in what capacity is he employed, what are his duties and what is his salary?
3. Was the said J. Carleton Brown sent, as a special representative of the Canadian National Railways in the year 1923, to the Far East?
4. If so, what was the purpose of his trip and what were the results?
5. What was the cost to the railway of the said trip?

Hon. Mr. GRAHAM:

1. No.
2. See answer to No. 1.
3. Yes.
4. Engaged as special representative to inquire into matters of importance for Canadian Government Merchant Marine and Canadian National Railways in Australasia and the Orient, including personnel of staffs in those countries, possibilities of traffic developments, etc.
5. May 21, 1923, to March 31, 1924, $19,659.06.

CANADIAN NATIONAL RAILWAYS—RADIO EQUIPMENT

Hon. Mr. MANION:

1. What proportion of the radio equipment of Canadian National Railways is Canadian made?
2. What proportion of the equipment has been imported from United States?
3. Is not radio equipment made in Canada?
4. What is the personnel of the radio staff of the Canadian National Railways?
5. Have any Americans been put in charge of any branch of this work?
6. If so, why has this been done?

Hon. Mr. GRAHAM:

1. 86.90 per cent.
2. 13 1/10 per cent. American equipment was not imported by the Canadian National Railways, but purchased through Canadian dealers handling such equipment.

3. Radio equipment is made in Canada, but not the particular type of set that Canadian National Railways are using, although it is anticipated that this equipment will shortly be made in Canada, when the railways will be glad to make use of same. Meanwhile railway officials are daily engaged in experimenting with various equipment produced by Canadian manufacturers, and hope soon to be able to obtain complete requirements of such equipment in Canada.

4. At Montreal headquarters: radio engineer, assistant radio engineer, director of programmes, foreman of installation, one mechanic, three clerks, ten train operators.

At Ottawa: broadcasting manager, station operator, assistant station operator.

At Winnipeg: one representative.

5. Yes.

6. Due to the fact that the United States has been in advance of Canada, up to the present time, in radio development work, particularly in the application of radio to moving trains. The officers employed represent, in the judgment of the administration, the best qualified experts obtainable.

QUEBEC HARBOUR

Mr. LAVIGUEUR:

1. Has the government received a request from the Quebec Harbour Commission for a certain amount of money to be spent on the improvement and development of said harbour? If so, what is the amount?

2. Is it the intention of the government to include in the supplementary estimates, an amount of money for the development of said harbour?

Hon. Mr. CARDIN:

1. The Quebec Harbour Commissioners have submitted a programme for further development of facilities but no conclusion has been reached respecting it.

2. Answered by No. 1.

QUEBEC RAILWAY STATION

Mr. LAVIGUEUR:

1. Is it the intention of the new board of management of the National Railways to build the proposed railway station at Quebec?

2. If so, have plans been made and what will be the approximate cost?

3. When will the work commence?

Hon. Mr. GRAHAM: The management reply that the matter of improving passenger terminal facilities at Quebec is under active consideration but final decision not reached.

AUDITOR GENERAL'S DEPARTMENT

Mr. SHAW:

The estimates of the Auditor General's department contain an item of $10,000 to cover appointments to positions, proposed to be exempted from the operation of the Civil Service Act.

1. What are these positions?

2. Why are they so exempted?

Hon. Mr. ROBB: No positions have been created or appointments made. Explanation of the item will be made when the estimates are under discussion.

CAMP BORDEN

Mr. BOWEN:

1. Was there a fire of considerable magnitude at the flying corps camp at Camp Borden during the calendar year 1923?

2. If so, what would be the actual replacement value of the equipment, engines and technical stores destroyed?

3. What was the value of the building or buildings destroyed?

4. Was a court of inquiry convened in connection with any such fire or fires and if so, what was the finding of any such board or court?

5. Has the pay of warrant officers, non-commissioned officers and men of the flying corps been reduced during the last year?

6. Have married men on account of reduced pay, had to leave the service?

7. Is the pay of certain senior officers to be increased in the near future?

Hon. Mr. MACDONALD:

1. There were two fires, one on August 29, 1923, which destroyed the aircraft repair section, No. 8 hangar, dope shop, paint shop and latrine.

The second fire occurred on October 16, 1923, and destroyed the technical stores buildings and contents.

2. $230,000.

3. $30,000 (buildings destroyed in both fires).

4. Yes. The finding of the court of inquiry into the first fire is as follows:

"The court is unable to determine the cause of the fire; that the responsibility for the outbreak of fire is not attributable to any person or persons."

The finding of the court of inquiry into the second fire is as follows:

"The court is of the opinion that the fire being due to causes unknown the possibility of an incendiary origin is indicated, warranting an investigation by secret service operatives. This is especially so as the adjoining building containing essential machinery and stores was totally destroyed by fire some six weeks earlier, it not being possible to ascertain the cause thereof."

5. Pay of warrant officers, non-commissioned officers and men has, in a good many cases been reduced on the formation of the permanent Royal Canadian Air Force.

6. Forty-six married men, and twenty single men did not re-enlist in the permanent Royal Canadian Air Force. (This number includes men medically unfit, over age, and also those who did not wish to enlist in the permanent force).

7. No. Pay of senior officers was decreased on the formation of the permanent Royal Canadian Air Force.

THE AUDITOR GENERAL

Mr. BROWN:

1. What was the age of the present Auditor General at the time of his appointment to present office?
2. When did he receive his degree of chartered accountant in the province of Quebec?
3. Was he at the time when degree was received or before or after a member or officer of any accounting society or accounting institute of any kind, and if so, what office did he hold in such society or institute, and for what period of time did he hold such office?
4. When and where did he try his preliminary examination as chartered accountant? (b) Who were the examiners at such examination? (c) Was he successful at such examination?
5. When and where did he try his intermediate examinations? (b) Who were the examiners at such examination? (c) Was he successful at such examination?
6. Do his present qualifications in Quebec entitle him to full membership in the Institute of Chartered Accountants in the province of Ontario? (b) Is he eligible for affiliation with the Institute of Chartered Accountants in Great Britain as a full practising member?
7. Was no one available in the civil service for promotion to Auditor General who possessed all necessary qualifications and who had also the benefit of long experience in handling government business?
8. Did the present Auditor General when appointed, insist upon his offices being decorated and refurnished? (b) If so, who obtained the contract or contracts for supplying such furnishings? (c) What did the new furnishings cost in detail?

Hon. J. A. ROBB: The hon. member will recognize, I am sure, that many of these questions are of a personal character and do not relate to matters of departmental record. I submit that such questions as might arise in connection with the appointment of the officer referred to could be dealt with more appropriately and more fully when the estimates of the department are under review. Under these circumstances I ask my hon. friend if he would drop the question.

Mr. SPEAKER: Answered.

DISEASE FROM IMPORTATION OF CHICKS

Mr. GARLAND (Carleton):

Is the government aware as to whether or not there have been any epidemics such as chickenpox or other disease introduced into Canada by the importation of baby chicks from United States?

Hon. Mr. COPP: No information.

BRIDGETOWN, N.S., POSTMASTERSHIP

Mr. CHARTERS:

1. When did the position of postmaster at Bridgetown, Annapolis County, Nova Scotia, formerly held by the late A. D. Brown, fall vacant by his decease?
2. Has the position of postmaster since been filled?
3. Were applications for the position of postmaster called for by the Civil Service Commission?
4. If so, what applications were received in reply to the request?
5. Were any of these applicants appointed to the position of postmaster?
6. If not, why?
7. Is it true that Dr. Armstrong, a brother of the Prime Minister of Nova Scotia, is acting postmaster?
8. When will his tenure of office cease?

Hon. Mr. COPP:

1. October 3rd, 1923.
2. No.
3. Yes.
4. W. W. Flett, O.A.S., disability; O. A. Lloyd, O.A.S., G. H. Dechman, O.A.S., C. E. Troop, O.A.S., H. V. Lantz, O.A.S., Dr. M. Armstrong, G. E. Nichols, H. A. Goldsmith, Miss M. A. L. Roberts, J. H. Hicks, N. Wentzell, E. N. Marshall, all of Bridgetown, and L. G. Young of Calgary.
5. Doctor Armstrong placed in charge temporarily, pending a permanent appointment.
6. Investigation into the qualifications of candidates not yet completed.
7. No information regarding relationship.
8. Temporary arrangements will cease as soon as a permanent appointment has been made.

CANADIAN NATIONAL RAILWAYS—LOAN

Sir HENRY DRAYTON:

1. With reference to the $50,000,000 loan of the Canadian National Railways of last February, what unused and unallocated balance of this loan is still in the hands of the minister?
2. What is the total of requisitions received from the Canadian National Railways for further payments under this loan, and not yet made?
3. What further amount, if any, representing liabilities of the Canadian National Railways, does the management thereof desire to discharge out of such balance?

Hon. Mr. GRAHAM:

1. $15,184,040.20 held in trust by Minister of Finance.
2. No unpaid certificates on hand.
3. Balance will be applied to payment of capital obligations.

IMMIGRATION CANTEENS

Mr. LAVIGUEUR:

Is it the intention of the Department of Immigration and Colonization to manage the restaurant and canteen at Halifax and Montreal?

Hon. Mr. ROBB: Montreal, yes.

Question of Halifax to receive consideration of department.

BANKRUPTCY ACT

Mr. SIMPSON:

1. Has the government been requested to amend the Bankruptcy Act as follows:—
(a) By establishing in the province of Ontario a bankruptcy division for each of the judicial districts?
(b) By conferring original bankruptcy jurisdiction (concurrent with the Supreme Court of Ontario), on each of the county and district Courts in Ontario in

cases of bankruptcy within their respective territorial limits, subject to appeal to a Divisional Court of the Supreme Court of Ontario?

(c) By eliminating the provision for the appointment of official receivers and by substituting therefor a provision for the appointment of fit and proper persons as authorized trustees, one for each of the said bankruptcy divisions, to whom court order shall refer bankrupt estates, and to whom respectively assignments shall be made by bankrupts carrying on business in his division, and who, by virtue of his appointment, shall become an officer of the court, in respect of the bankrupt estate?

(d) By making such other amendments of said Act rendered necessary by above suggested amendments?

2. Is it the intention of the government to so amend the act during the present session?

Hon. Mr. LAPOINTE:

1. Yes.

2. Under consideration.

MAINTENANCE OF IMMIGRANTS

Mr. LAVIGUEUR:

1. What is the amount paid for board, per day, to the Department of Immigration and Colonization, by each individual immigrant detained?

2. What is the amount paid, per day, to the restaurant keeper for the board of immigrants detained?

3. Has the department the intention this year, of realizing a profit at the expense of immigrants?

Hon. Mr. ROBB:

1. In cases of all detained immigrants rates charged for maintenance are as follows: Medical cases, adults, $2,00, children, $1.00; civil cases, adults, $1.75, children, .90. Certain medical and civil detentions are chargeable to the transportation companies as provided for by sections 34 and 44 respectively of the Immigration Act.

2. At Quebec last year 30 cents per meal. Prices for this year not yet determined.

3 No.

NATIONAL TRANSCONTINENTAL RAILWAY

Mr. CALDWELL:

1. What was the cost of construction of the National Transcontinental railway from Quebec to Moncton?

2. Does the operation of that portion of the National Transcontinental railway between Quebec and Moncton show a profit, after paying interest on cost of construction, cost of maintenance, and operating costs?

3. If so, what is the amount? If not, what is the amount of such deficit?

4. What did the International railway from St. Leonards Junction to Campbellton cost the government?

5. Does the said International railway show a profit, after paying maintenance, and operation cost, and paying interest on the capital investment in said road?

6. If so, what is the amount? If not, what is the amount of such deficit?

Hon. Mr. GRAHAM:

1. $35,000,000, Levis to Moncton.

2. No division of operating revenues and expenses covering the line between Quebec and Moncton made after April 1st, 1920.

3. See reply to question No. 2.

4. The purchase price of the International railway from St. Leonards Junction to Campbellton was $2,700,000.

5. No division of operating revenues and expenses covering the International railway made after December 31st, 1920.

6. See reply to question No. 5.

QUESTION PASSED AS ORDER FOR RETURN

WOODWARD ELEVATOR—VANCOUVER

Mr. COOTE:

1. Why was the Woodward elevator at Vancouver taken over by the Vancouver Harbour Commission?

2. Has the said elevator been leased to other parties? If so, what are the names and addresses of the lessees and on what terms was the said elevator leased by the Vancouver Harbour Commission to the said parties, and to what uses do the said lessees propose to put the said elevator?

3. Has the government sanctioned the leasing of this elevator?

4. Has the government furnished moneys to the Harbour Commission for the acquisition of this elevator, or has the government consented that any moneys advanced to the Vancouver Harbour Commission should be used for this purpose, or for completion and equipment of said elevator?

5. If it was advisable, either in the interest of the grain traffic or the port of Vancouver, to acquire this elevator, why is it not to be operated by the Vancouver Harbour Commission?

HOME BANK INVESTIGATION

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): I understand that the evidence given from day to day before the royal commission inquiring into the affairs of the Home Bank will be printed, and I would ask the government if sufficient copies can be printed for the members of the House, or at least for the members of the Banking and Commerce committee.

Hon. J. A. ROBB (Acting Minister of Finance): I do not think there is any objection to that.

Hon. JAMES MURDOCK (Minister of Labour): Sufficient copies have been printed for members of the House and the Senate, and are available.

INCOMPLETE ANSWER TO QUESTION

On the Orders of the Day:

Mr. A. W. NEILL (Comox-Alberni): I wish to draw the attention of the government to an error in answering a question. On the 19th of March I asked the following question:

What tonnage of coal was supplied to the boats of the Canadian Government Merchant Marine operating on the Pacific ocean during each of the calendar years of 1921, 1922 and 1923?

The answer I got would convey the impression that all the coal that was supplied was obtained from British Columbia, but as a matter of fact I have it on the testimony of an eye witness that a very considerable portion was obtained and supplied in Japan, mined by woman and child labour. I think it is proper if that is so, that it should have been so revealed in the answer, and I would ask the government if they would submit an amended answer.

Hon. GEORGE P. GRAHAM (Minister of Railways): I will have the matter looked into. I imagine the department thought my hon. friend wanted to know from whom the coal was purchased in British Columbia, knowing that he takes a deep interest in that matter.

Mr. NEILL: "The Pacific ocean" is the language used.

LAUSANNE CONFERENCE

On the Orders of the Day:

Mr. JOS. T. SHAW (East Calgary): I would like to ask the Prime Minister if there has been any change in the position in regard to the Lausanne controversy since his last statement to the House.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not know that I quite understand the significance of my hon. friend's question.

Mr. SHAW: I will put it in more detail. Has the matter been the subject of consultation between the British government and the Canadian government, and if so, has the Prime Minister any statement to make at this stage with regard to the present standing of the matter?

Mr. MACKENZIE KING: I have been communicating with the Prime Minister of Great Britain with reference to a statement made by him in the House of Commons during the course of the debate, and which did not seem to me to represent accurately the position he was referring to. I have had some communication from the Prime Minister in reference to it, and later on will be in a position, I think, to make a statement to the House, but I would like to have the permission of the Prime Minister of Great Britain to refer to his communication before so doing.

BEAUCHAMP'S SENTENCE

On the Orders of the Day:

Mr. PAUL MERCIER (Westmount-St. Henri): Can the government inform the House whether or not the sentence of the convict, Beauchamp, from Montreal has been remitted so far as the lash is concerned?

Hon. ERNEST LAPOINTE (Minister of Justice): The sentence referred to by my hon. friend has not been remitted. Under a statute passed last year any person convicted of an indictable offence has the right of appeal to the Court of Appeal of the province that imposed his conviction, and this appeal must be lodged within a delay to be fixed by the rules of the Court of Appeal of such province. In most of the provinces of the Dominion such rules have been made, and the usual delay is thirty days within which an appeal may be instituted by the convict. In the province of Quebec no such rules have yet been enacted, but I am informed that steps are now being taken to enact such rules. Article 1018 of the Criminal Code as enacted last year provides:

> In the case of a conviction involving sentence of death or whipping the sentence shall not in any case be executed until after the expiration of the time within which notice of appeal or of an application for leave to appeal may be given under this section.

Instructions have been issued to all the wardens of the penitentiaries by the Department of Justice that the lash shall not be inflicted until after the expiration of the delay during which the convict has the right to institute an appeal against his conviction. The message which has been sent in the case of Beauchamp was only a reiteration or confirmation of instructions which the wardens have already received from the Department of Justice. This man's sentence neither with regard to the part of it concerning the lash nor the other part, has not been remitted, and if any application has been made for clemency in this case it will be dealt with in the ordinary way.

I may perhaps add that many things have been stated either verbally or in writing which are not justified by the facts of the case.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): May I ask the Minister of Justice if he would lay on the table of the House the actual order issued from the Department of Justice in the Beauchamp case?

Mr. LAPOINTE: With pleasure.

CHINESE IMMIGRANT'S

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): According to the Halifax Herald of April 14th, forty-nine orientals have arrived there to work on the Nova Scotia coal boats. Subsequent investigation seems to show that the Chinese landed from the S. S. Cedric,

Pier 2, Halifax, direct from Liverpool, England, having arrived there from Canton via the Suez canal, and that these Chinese are imported from the Orient as crews for the Wabana, Daghild, and other vessels of Canadian registration. These Chinese are acting in the capacity of sailors, quartermaster, oilers, stockers, stewards and cooks; they are to relieve the hardy Nova Scotians. The Citizen states that they are there in bond and that permission to land and place the Chinamen on the various allotted vessels was given under letter received from the Deputy Minister of Immigration at Ottawa.

I should like to ask the Minister of Immigration whether he can throw any light upon this very peculiar situation.

Hon. J. A. ROBB (Minister of Immigration): This is the first I have heard of it. I shall direct the attention of the deputy minister to the situation and give my hon. friend a reply tomorrow.

ROYAL GRAIN COMMISSION

On the Orders of the Day:

Mr. O. R. GOULD (Assiniboia): I would like to ask the government if they have any information to give to the House as to the probable date when the Royal Grain Commission will make its report.

Hon. T. A. LOW (Minister of Trade and Commerce): I think an interim report of the commission will be presented before the close of the session. I do not expect, however, that the full report will be brought down until after parliament has prorogued.

THE BUDGET

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

The House resumed from Tuesday, April 15th, the debate on 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.

Mr. E. B. RYCKMAN (East Toronto): Mr. Speaker, I am very sorry that I can neither think well nor speak well of this budget. I regard it as the most unfortunate financial statement that was ever delivered in this House. Although not an intimate friend of the Acting Minister of Finance, I hold that hon. gentleman in high regard. I had the honour to be born in the same town as the Acting Minister of Finance and I always felt a certain admiration for him. Frankly, Mr. Speaker, I thought he would be one of the last of hon. gentlemen opposite to present such a budget as we heard on April 10th.

My first objection to the budget is that it is misleading. It gives a false impression to the House and the country in that it represents that there were $30,000,000 available at the end of the last fiscal year to be applied in alleviating taxation, reducing the public debt, or used as might be felt desirable. I say boldly that such a representation is misleading. I also charge that the statement of the Acting Minister of Finance to be found at page 1214 of Hansard, is false and misleading, wherein he says:

> These two amounts totalling $9,622,760.37, together with the $20,786,349 surplus of revenue over total expenditures, reduce our net public debt as of March 31, 1923, by the amount of $30,409,109.37.

How is this surplus made up? It is made up by giving a guarantee, a promise to pay, to the Canadian National Railways, a subsidiary of parliament. Now, is that subsidiary solvent? Admittedly it is not solvent, and it cannot pay its debts. The Minister of Railways has suggested that we should forego about four hundred millions in order that the system might be put on a working basis. The hon. member for Brandon (Mr. Forke) has also suggested that we must reduce this indebtedness and give the railway a chance. Unquestionably we have given the railway system a guarantee, and this country will have to meet it, to the extent of $50,000,000. Yet the Acting Minister of Finance tells the country we have a surplus. It is true the Acting Minister of Finance made a reference in his budget speech to this guarantee. This is what he said:

> Moneys raised by way of guarantee, which places the government in the position of an endorser, do not presently affect the public debt in any way, as they are indirect obligations.

I submit, Mr. Speaker, that we have incurred a direct obligation as a consequence of this guarantee to the railway system, during the last fiscal year, of close upon $50,000,000. The country did not expect such action from the Acting Minister of Finance although it would not have been surprised at such statements being made by others.

There was another chancellor of the exchequer who was in the habit of doing that kind of thing, I refer to the Honourable Peter Smith, formerly Provincial Treasurer of Ontario. That gentleman would take all the receipts he could and exclude all the expenditures he could. Then he would strike a balance and refer to the fine financial position that the province enjoyed. My only suggestion to the government on this branch

of the budget is the following: If it wants a large surplus, why not let the railway have a guarantee of $100,000,000, then carry $50,000,000 to the credit of the government. By the addition of $50,000,000 to the so-called surplus of $30,000,000 we might have a much larger surplus of $80,000,000.

Mr. MEIGHEN: That would be just the same.

Mr. GRAHAM: Not a bit of it.

Mr. RYCKMAN: No statement of the affairs of Canada will truthfully represent the actual conditions which ignores that $50,000,000 guarantee given by the government to the National Railways. Having this false premise the government predicates upon it that it has money to dispose of for the reduction of taxation or the reduction of debt. So entangled will the government become in this financial maze that before long it will be clearly evident to the country that not only is there not a surplus but that an immense addition will have to be made to the existing deficits of past years. The debt of the country is actually being pyramided the surplus does not really exist and yet the government tries to impress the country with the idea that it has a surplus for the reduction of taxation or of debt.

I have a further criticism of the budget to make, and it is a very serious one. The Prime Minister and the Acting Minister of Finance were parties to the budget of last year. To be sure that budget was delivered by the Finance Minister himself (Mr. Fielding), but it expressed the will of the government and indicated what the people might expect from it in the way of a fiscal policy. That policy of a year ago is in sharp contrast to the policy as set forth in the budget of April 10. I am not anxious, Mr. Speaker, to use any harsh language, but I will state that if one will read the budget of May 11, 1923, and will place alongside of it and read the budget of April 10, 1924, he will see that the budget that we are now considering constitutes a plain breach of good faith. I may be asked, did I expect anything else? I certainly did. I may be prejudiced, but I felt when the budget was given to the people last year, as it foreshadowed the fiscal policy of the government with relation to the tariff, that we could expect something abiding, after that address which was given so forcibly on May 11, 1923.

Honour in public life, Mr. Speaker, is an absolute necessity. It is the last thing we can part with. Honour in keeping engagements with the people has been the very breath and existence of public men in all British countries. A recent example of this is the action of the late Prime Minister of Great Britain, who, succeeding the Right Honourable Bonar Law, felt himself bound by a statement that the Right Honourable Bonar Law had made to the effect that there would be no material change in the fiscal policy of Great Britain without a submission to the people. A controversy was carried on at great length in the newspapers that the promise which Bonar Law had made did not constitute a binding obligation. In the next place it was stated that the Right Honourable Stanley Baldwin was not heir to that promise, or called upon in any way to implement it; but he took the position that he was not going to run any risk of imputation of bad faith whatever, and he went to the country, with the result which hon. gentlemen know; but with the result also that the good name and the good faith of public men were maintained.

How different the practice in this House! On May 11, 1923, the Finance Minister announced his fiscal policy and gave assurances as to what this policy would continue to be. Now I will say just a word with reference to the Finance Minister. The Prime Minister (Mr. Mackenzie King), when he was seeking office in 1921, from the public platforms practised self abnegation to this extent: "Do not look at me; look at the man whom I propose shall be Finance Minister. He was successful in the years of Sir Wilfrid Laurier, and gave to this country its fiscal policy in the years of its greatest prosperity. He is the man whom I intend to have as my Finance Minister, if I am returned to power." Since he has been returned to power we have had the opinion of the right honourable Minister of Finance, expressed by the Prime Minister in words which could be summed up by saying that he was the very flower and sweet perfume of his ministers: That the fiscal interests of this country were absolutely safe in the hands of the Right Hon. W. S. Fielding. Now, I regret exceedingly—I think as much as anyone in this House—that the right hon. Finance Minister is not here to-day. If he were here, we never would have had, I submit, this budget, which was delivered by the Acting Finance Minister (Mr. Robb).

Let me quote what was said by the Finance Minister in his budget speech of May 11, 1923, to be found in Hansard at page 2648, and pardon me if I read at length. He said:

Tariff Stability

There is a thought which does not receive as much consideration as I think sometimes it should be given in public discussions, and that is the desirability of something like tariff stability. Business men do not

like to be always threatened with changes in the tariff. There is no finality in legislation either as respects that tariff or as respects anything else. That which parliament can do to-day it can undo to-morrow. Everybody knows that. Everybody must conduct his business in the light of that fact. Nevertheless it is desirable that something like an assurance of tariff stability should be given to business men. Exceptions will occur. There will be cases where, in the interest of the consumer, reductions in the tariff ought to be made. There will be inequalities discovered in the tariff which should be corrected; there will be errors which should be remedied. Any minister, any government, any parliament must be free to deal with these cases as they arise. But the conditions to which I refer are exceptional. Speaking broadly, it is possible to give the country a reasonable assurance of stability of tariff. Such assurances are very desirable, for no business man would care to enter upon enterprises which may be brought into peril by frequent tariff changes. The tariff as it will be when the changes proposed to-day come into effect will be a moderate tariff and probably as low as the country can afford to have under present condition.

Then on the next page:

Subject to the exceptional conditions such as I have mentioned, I think the country should be content to accept the tariff as it will now stand as one as fair and reasonable as can be prepared under all the circumstances, and business men should be able to carry on the various enterprises without the fear of being soon disturbed by further changes.

Stability of tariff cannot be expected while tariff rates are high. But where the rates are for the most part, as in our tariff, moderate, a reasonable measure of tariff stability should be assured.

Now, Mr. Speaker, unfortunately the Finance Minister is not here, but we have another gentleman in this House this afternoon who expressed himself on this question of tariff stability and I desire to quote from his statement. This statement, instead of covering three or four paragraphs such as I have read, is spread over seven or eight columns. I will read what I have selected, and if there is anything that I have left out, I want my attention drawn to it, because I want to show this House if I can what was the attitude of the Prime Minister not twelve months ago. On page 3052 of Hansard, I find the following statement by the Right Hon. W. L. Mackenzie King:

May I say just a further word with respect to another feature of the budget—the emphasis which has been placed upon stability as regards the tariff in the government's tariff announcements. Why is it that the present government is seeking stability in the tariff? For the simple reason that what this country needs to-day, as what the world needs, is a little more in the way of stability.

That was his statement on May 23, 1923. Something has happened since. He continues:

What we need to-day is to restore a feeling of confidence in the minds of the business community, and in the minds of the industrial community. The world to-day is still trembling more or less from the convulsion of the titanic struggle of a few years ago, and the highest duty of statesmanship is to seek, so far as it lies within the power of every nation, to restore in the minds of all classes of the community a feeling of certainty, a feeling of confidence, a feeling which for want of a better word we describe as stability. Stability does not mean finality. I notice that some hon. gentlemen oposite have sought to combine the two words.

If there was one thing above another which the hon. Minister of Finance was most careful to emphasize when he spoke of stability, it was that as regards all legislation, and in particular as regards the tariff, there was no such thing as finality. He spoke particularly and specifically of the probable need for a change as respects some items of the tariff affecting consumers and in relation to the necessities of production.

Mr. MACKENZIE KING: Hear, hear.

Mr. RYCKMAN: The Prime Minister says: "hear, hear." Will he kindly say, "hear, hear" to the next two or three sentences?

He mentioned these things, and if there be need for greater emphasis as to what he said, may I direct the attention of the House to the fact that my hon. friend the Minister of Finance had no sooner concluded his reference to stability than he began to speak of reciprocity and of trade agreements with the United States, which would mean changes in the tariff the minute they were brought down.

Mr. MACKENZIE KING: Hear, hear.

Mr. RYCKMAN: Has there been any reciprocity since May 23, 1923? Has there been any action of the United States in relation to the tariff benefitting us as regards this period? Not at all.

Mr. MACKENZIE KING: May I ask my hon. friend a question?

Mr. RYCKMAN: Just a moment. The United States, after this declaration of policy, raised the tariff as against this country.

Mr. MACKENZIE KING: The question I wished to ask my hon. friend is whether, after what he has quoted from me in reference to stability not meaning finality when I drew attention to the fact that reciprocity would mean changes in the tariff, the significance of that paragraph is not wholly that the Minister of Finance, when he spoke of stability, did not wish to have it inferred that there would be no further changes; in other words, that stability and stagnation were not necessarily the same thing.

Mr. RYCKMAN: I have not nearly finished quoting from the statement of the Prime Minister. He continued:

No, what my hon. friend sought to convey to the House in his remarks was that the government, after having carefully studied the situation from all angles, had come to the conclusion that having regard to the situation of Canada to-day in relation to other countries, it should tell the Canadian people that as respects the tariff, unless there were obvious reasons why there should be changes occasioned by necessity, they might be reasonably assured that there would be a steadiness in the tariff for some little time to come.

Mr. MACKENZIE KING: That was a year ago.

Mr. RYCKMAN: What is the measure of "some little time?" This government that had so declared itself in the speech of May 23, 1923, at the very first opportunity at the next session of parliament, changed it all.

Mr. MACKENZIE KING: For obvious reasons.

Mr. RYCKMAN: The Prime Minister continued:

That is what my hon. friend sought to make clear to this House, and he did so for the reason, that what we in Canada can do with justice in the matter of tariff revision is necessarily dependent in large part upon what is done by our neighbours to the south and upon what occurs in Europe.

As I have remarked—and please let this sink in—there has been no change whatever except an adverse change against us since this speech was delivered by the Prime Minister of Canada in the House of Commons. He said further:

What is the position with regard to the United States? Since the Liberal convention was held, there has been enacted by the United States a much higher tariff than ever before existed between Canada and the United States. The Fordney-McCumber tariff, so-called, to-day is operating to the disadvantage of Canada. Is there any member of this House who will stand up in his place and say: Notwithstanding that obvious fact we think we should throw down our bars against the United States and give them an opportunity to come in here and affect our industries in a manner even more seriously than they have already been affected.

Yes, there was a member, and that member sits opposite me to-day in the person of the Prime Minister of Canada. He said further:

We feel that the settlement of conditions in Europe and the favourable change in the American tariff are not likely to be effected for some little time yet, and for that reason we say that pending a change in this external situation we wish to give to the Canadian people the assurance that we do not purpose having an unstable tariff, because that is the significance of it. The one word has to be used in relation not only to its synonym but also its antonym. We do not propose to have an unstable tariff while this unstable condition exists in different parts of the world.

Why the change of opinion? When did the stability occur and become a fact in other parts of the world? Then on page 3053 the Prime Minister continued. I hope he is following me, and I will read any part that he suggests I should. I am anxious to have a plain, truthful account of the attitude as then expressed by the speech of May 23, 1923:

Before I leave that matter, may I add this with respect to our endeavour to bring about stability? We are taking in this connection a stand which we believe to be not only in the interests of our own country but in the interests of the world. I have in my hand a copy of the report which was presented to this parliament some little time ago of the Genoa Conference for the economic and financial reconstruction of Europe. Canada was represented at that conference by two able and distinguished gentlemen and there were assembled there, as hon members will recall, representatives from most of the commercial nations of the world. True, in some respects the conference did not achieve all that was hoped and expected of it, but there were certain matters on which there was general agreement, and in the report of this conference, I find the following. It appears on page 37 of the report printed by order of this House.

Then there is given article 44 of the Genoa conference that was in favour of stability. The Prime Minister cited not only the Genoa conference but the League of Nations, and he showed how the Economic committee of the league was in favour of stability. He quoted a resolution which, in part, is as follows:

The Economic committee is deeply impressed with the inconvenience and injury caused to international commerce which result from the uncertainty arising from frequent changes of customs tariff and associates itself cordially with the resolution of the Genoa Conference on this subject.

The committee strongly recommends that all states should endeavour to ensure that their customs tariffs should remain applicable over substantial periods of time, and that changes in rates and classification should be effected as seldom as possible and only when they are required by the essential economic needs of the country.

After quoting that resolution, the Prime Minister continued:

That resolution, according to the report of the assembly, was unanimously adopted by the assembly of the League of Nations at its last session. Now I read these resolutions not for the purpose of helping to foster the impression that in speaking of stability in matters of tariff the action of the government contemplates finality in any particular or in any direction. I rather wish to bring home to the members of this House, as far as may be possible, what has become so apparent to the statesmen of other parts of the world, that if we are to get away from the unsettled conditions of the present, if we are to restore confidence among the nations of the world, if once more this world is to be brought back to the order which prevailed prior to the Great War, we must all seek, in whatever directions we can, particularly in our international relations, to establish something in the nature of a reasonable stability. That is all we are aiming at. We do not intend to sacrifice in any particular the needs of any class of our citizens or the needs of industry, the needs in any direction of consumers or of producers, but what we do wish to make clear is that, so long as conditions continue to exist as they are at present, so long as on the part of the United States, the tariff wall remains what it is against us, and in Europe the unsettled condition continues to be what it is, and so long, may I add, as Canada remains the only country that has reduced its tariff since the Great War, while other countries continue to put up their tariffs, for that period of time at least we shall give to those who are interested in investing their capital and establishing industry in this country, and who are seeking to restore business to a higher level of development, assurance that there will not be unstability where stability ought to prevail.

Mr. MACKENZIE KING: Hear, hear.

Mr. RYCKMAN: That really is a joke. I am sorry to have had to take up so much time in reading at such great length, but following the statement of the Prime Minister I remember that the hon. member for Saskatoon (Mr. Evans) declared that we had not a tariff of free trade nor one of protection but a tariff of stability. That is what he said the budget proposed; and the hon. member for Nelson (Mr. Bird) said something to the same effect. I appeal to you, Mr. Speaker, whether the members of this House did not get the distinct understanding, from the statements made in this chamber by the Minister of Finance and by the right hon. the Prime Minister, that, so far as industry was concerned, so far as these very interests detailed by my right hon. friend were involved, we might expect that there would be no change in the tariff. I submit emphatically that the country formed that impression. But what do we find? We find that there is not even conceded a little time as promised by the Prime Minister; on the contrary, at the very first opportunity the change is brought about. The consequence is that the country is now in the throes of disturbance, dissatisfaction and uncertainty. But a few days ago, since the delivery of the budget, we saw the Minister of the Interior (Mr. Stewart, Argenteuil) rise in his place and declare that the present budget sounded the death knell of protection. To be sure, he said, not immediately; but he indicated quite clearly that the death knell of protection was the note of the budget. And we get that assertion less than a year after the country was given the policy as set forth by the Prime Minister. Some hon. gentlemen to my left are saying "hear, hear." Well, I can tell them that there is not the least thought in my mind that they are saying "hear, hear" to a breach of good faith on the part of the leader of the House of Commons. Rather, I think my hon. friend's commentary is an indication that what has happened is in keeping with their views as to what the policy of this country should be. If my statements need any re-enforcement, I would ask, what did the hon. member for Pontiac (Mr. Cahill) say? The hon. gentleman said something to this effect: "Don't go away with the idea that this is the last cut that is going to take place; you are only awaiting others." And the same idea was shared, if I mistake not, by the hon. member for Bonaventure (Mr. Marcil), who gave us to understand that he would support the budget: Now, Sir, there is about this whole thing an irony which I cannot help pondering. I submit that the manufacturers of agricultural implements have been sorely hit. I am not interested in that industry in any way, but it does seem to me that it has enjoyed just about the least amount of protection that has been accorded any industry in the country. I lived in Brantford for four years and have lived in Toronto a great many years, and I may say that I have been proud to have had the acquaintance of all those honourable families who in that section of the country have been engaged in this business. There are the Masseys, the Harrises, the Shenstones, the Osbornes, the Melvin-Jones, the Pattersons and the Wisners. I have known them all well; and I say unhesitatingly that they are of the finest families in the country, public spirited people who have left their mark in every one of the cities and towns in which they have lived. In short, they have been real benefactors of the public. To-day I know they are suffering. It may be said that the present reduction is only a slight one. But if one's life depends upon a ten strand rope and four of them are cut, one, I should say, is in a rather precarious state. Now, none of these concerns has made money in the business in recent years. Their books have been open to the government, and we know what the history of this industry has been both during the years of the war and since. And the irony of the thing is that all these noble families were, so far as I know, Liberals in politics. I think it is unfair, in view of the explicit promises made by the Prime Minister and by the Minister of Finance, that an industry as important as this one, with $150,000,000 invested in it, should be thrown into that position where it absolutely does not know what its future will be. If these people had been enjoying what is called high protection, if they were receiving the consideration of 35 per cent which other companies have enjoyed, there might be some reason and some satisfaction in getting back at them now. But there can possibly be no satisfaction, and certainly there is no justice, in the action which the government proposes to take now.

The seriousness of the present situation lies not only in the reduction which has been made in these specific industries—basic industries, as they have been called on the other side—but also in the hesitancy, the absolute doubt, and the uncertainty that characterise the operations of those who are affected. Here are people in the lower scales of tariff protection who have been hit. What have the others to expect? I should like to have the Prime Minister or the Acting Minister of Finance

instruct his secretary to put me on his mailing list and send me the statements of any manufacturers, of any captains of industry, of any labouring men in industry who are prepared to write in approval of the budget which has just been delivered.

The refunding loan has been referred to, and in this connection I have a criticism to offer: The government did not do as well as they could have done. As I make it out, the government sold its twenty-year bonds

4 p.m. on the basis of 5.32, while they sold the five year bonds on a basis within a very small fraction of 5.75. The bond dealers, as will have been observed, received $4,500,000 for placing $200,000,000 of the obligations of this country. The Acting Minister of Finance says that he asked for tenders. I may be wrong, but I do not think that tenders were advertised for. However, let me tell the House what happened in this country at the same time. The province of Ontario, whose credit I am sorry to say does not stand as high in the money market as that of another province in the Dominion, had $40,000,000 of bonds to sell. It advertised in the newspapers. The same bond dealers, who as we all know are anxious to drive a good bargain, as the testimony recently adduced in Toronto will show abundantly, submitted to my hon. friend the Acting Minister of Finance a certain figure which apparently was accepted. The province of Ontario, on the other hand, advertised in connection with the sale of its $40,000,000 and the bond dealers put in their tenders; and the treasurer of the province, under a Conservative government, told them to take their tenders out of his office because he would not accept any of them. With what result? That when my hon. friend's loan was on, Ontario sold its bonds at 5.30. The whole is greater than the part; the credit of the whole ought to be greater than the part, but Ontario, I say, sold its bonds at a price higher than that which the Dominion obtained, simply because they went about it in a businesslike way. I believe that the Acting Minister of Finance could have got a great deal more for those $200,000,000 of the securities of this fair country which he had to sell. But he accepted what was the highest tender, he says, of those whom he asked to bid.

I desire to say a word about the French treaty and it will be only a word. From the statement of the hon. member for Lincoln (Mr. Chaplin) it is very clear that this French treaty has been a bad bargain. When there is some real business to be done by this government, it seems to me that a real business man should be sent to do it. The only reply that comes to that suggestion is from the member for Pontiac (Mr. Cahill), who says that there has been a remission of taxes to the extent of a million and a half. Well, that is a very fine thing for those who get the benefit of it. But that remission is upon brandies, cosmetics and embroideries, and as we have to raise a revenue in this country to pay the national debt, it is obvious that it is upon such articles as these—luxuries—that the money should be raised.

With regard to this French treaty I want to take one article which comes under the treaty and another which does not, so that we may see how the low rate of exchange adversely affects this country. I understand that when the friends of the Acting Minister of Finance who are in the boot and shoe business were here they pointed this out to the Prime Minister and to the Acting Minister of Finance. The story is not an encouraging one so far as Canadian trade is concerned. Take page 71 of the trade returns for January and contrast the period of ten months ending January, 1924 with the same period ending January, 1923. The consumption of non-sparkling wines, which come under the treaty, for the ten months' period ending January, 1923, was 56,000 gallons, and the value was $160,000, while for the corresponding period ending January, 1924, the consumption was 105,000 gallons, nearly twice as much, and the value was $140,000, or $20,000 less. Then, take the item of raw wool, page 135. The exchange has meant this to raw wool: In 1923 the consumption for the ten months' period was 118,000 pounds, with a value of $119,000, while for the 1924 period it was 262,000 pounds, more than twice as much, with a value of only $147,000. Now, I would ask the farmers of this country—

Mr. ROBB: Will my hon. friend allow me right there? Was it a disadvantage to the manufacturer of raw woollens who sells tweeds to the Canadian people to be able to buy so much more wool for less money?

Mr. RYCKMAN: It is a distinct advantage to the manufacturer, but it is distinctly to the disadvantage of the Canadian farmer who raises wool.

Mr. ROBB: May I point out to my hon. friend that the Canadian farmer does not grow this quality of wool?

Mr. MEIGHEN: Oh yes, he does.

Mr. LAPOINTE: Let the farmers complain.

Mr. MEIGHEN: They will if you give them the chance.

Mr. LAPOINTE: They will have the chance some day.

Mr. RYCKMAN: I think this French treaty should be denounced. The hon. Minister of Justice (Mr. Lapointe) should be kept at home unless he goes over merely to sign a treaty, or unless he leaves forthwith to have this treaty denounced. No bit of business that has been transacted by this government dealing with exports from and imports into this country is more worthy of condemnation from a business point of view than this treaty with France.

I desire, Mr. Speaker, to say a word or two with regard to the nuisance and pest taxes. There is a sales tax: I hope an opportunity will be given to discuss it later. But I know the members of this House feel that this tax is most unfair and discriminatory in its application to different businesses. It increases the cost of living ten per cent; there is general agreement on that point. If the government had seen fit to give the farmer the benefit in the matter of dry goods, drugs, boots and shoes—well, boots and shoes are covered—and groceries through the remission of this tax, the benefit to the farmers would have been tremendously in excess of anything they could get from the cut on agricultural implements.

I must say a word about the note tax. This tax is simply grotesque: I wonder if members of the House have really considered what it means? I defy the Prime Minister to find such a tax anywhere else on earth, and that is a large order. How does it work? Suppose two men wish to go into business, or, if they are already in business, suppose their business needs more money. Suppose they want to put into it $200,000, one of them $100,000 and the other a similar amount. One of the men who puts in $100,000 and has the money in the bank can put on the cheque a dollar stamp. The other man has good credit; he goes to the bank and says, "I want $100,000 and I will pay you back $10,000 monthly; here is my security." He gets the loan; it goes through the bank in the ordinary way, and he pays a note tax of $220, or 220 times what the other man pays. Look at the discrimination. The man who is able to sit down and write out a cheque for that large amount might be regarded as being in a fortunate position, and if there is any saddling of tax on one of the two it should be on the man who has the money. But under this splendid taxation scheme of the Minister of Finance the situation is as I have stated it, and that condition enters into the everyday business life of this country. Anyone who borrows money from the bank and reduces the loan by payments every month or every two or three months, as the case may be, is met with this tax, while the man who has the money to pay outright enjoys relatively no taxation.

I desire to say a word about the income tax. The member for Red Deer (Mr. Speakman) suggested that the income tax be increased, and I heard a member sitting behind him say, "Yes, they cannot pass on the income tax." Indeed they can. The income tax increases immensely the cost of living, and just to show you that practically everybody can pass on the income tax, how does the manufacturer do it? The manufacturer says: Well, I give myself a drawing allowance of $10,000, or whatever it may be, and now that I have to pay income tax I will increase my drawing allowance so much to cover that tax, because I have to have the same amount to live on. The increase goes into the cost of the goods, and the people who buy the goods pay that increase; that is the way it is done.

We come to the merchant, and he does it in just about the same way; it is passed on in that case. Then we come to the professional classes. The professional man says: I have so much income tax to pay, and I will increase my charges so much to cover it; he passes it on, and that adds to the cost of living. Oh, but you stick the salaried man, you say. You do not, because everybody recognizes that the man who lives on a stated salary is entitled to more salary now that he has to pay income tax, and so you find our colleges and schools, our manufacturing establishments and every other concern that employs the salaried man, recognizing the fact that he needs more, giving him more, and that all adds to the cost of living.

Oh, you say, at any rate we get the man who by thrift has saved his money and invested it in stocks, bonds and mortgages. You do not get him at all. He can get out from under if he wants to do it. How does he do it? He has a mortgage say for $10,000. He will go to a lawyer and say: Draw up an assignment of half that mortgage to my wife. It is a very easy thing to do, requiring no registration. What does a man with bonds do? His wife gets some of them, and the other members of his family get some until he has reduced his liability to pay income tax to the smallest possible amount. And so through the whole list.

I say, Mr. Speaker, that the income tax in the form in which we have it means that industry is paralysed, that initiative is stifled, and that business suffers tremendously. How does it work in business? Suppose there are

some men who are carrying on a prosperous business, but who need more capital. They say: We have lots of security but we want to raise $250,000, we will say, and they put out a preferred stock issue at 7 per cent. Money is hard to get; it will be a gilt-edged 7 per cent investment, and we will ask the public or our friends to subscribe. But what do they find? They know some of their friends who have money and to whom 7 per cent should be a good investment, and always predicating that there is an abundance of assets behind this proposed issue of securities, they go to their friends and say: This is a good 7 per cent investment; you know what it is; we ask you to take an interest in it. Oh, says the prospect, I require 7.59 per cent to pay my taxes, and I have to have an investment that will yield me 7.59 per cent, or I am far better off by buying tax-free bonds. And the industry that wants the money cannot get it. Practically every broker's office and every bond dealer's office throughout the country has printed lists showing how it would pay you, if your income is a stated amount, to invest in tax-free bonds, and the result is that there is not the money for industry. Are there any flotations to-day? Is there anybody outside of say the pulp and paper industry who knows that since this government came into power there have been many investments in industry? There have not been, and everybody knows it. I would go further and say that just so long as this government is in power, just so long as they are rocking the industrial boat, just so long will there not be money for industry in Canada, and just so long will there be a crowd of men in the bond business such as we have never had before. The bond business has grown tremendously. Take the cities of Montreal and Toronto; the bond dealers there have become a distinct class in the community. Offices are crowded with those engaged in the bond business, and they are not selling the securities of industrial companies.

Now what is the effect of all these taxes? The net effect so far as immigration is concerned, is that we have not got it, and the reason that we have not got it is that those who are coming to a foreign country know well what that foreign country is going to do for them. They know the taxation in that foreign country; there is no question about that, and immigration to this country is stayed simply because this is one of the highest taxed countries in the world and has some of the most inequitable taxation methods anywhere in the world.

[Mr. Ryckman.]

The member for Pontiac (Mr. Cahill) told us, and I will accept his statement because I believe it is true, that people are leaving this country because they can do better elsewhere, the taxation here being so high. The Minister of Justice (Mr. Lapointe) in his remarks tried to tell us that the income tax we had to pay in Canada compared favourably with the income taxation in Great Britain and the British colonies. True, although the Canadian scale is higher in some regions of the tax, but federal income taxation is not the only income taxation we have to pay. We have municipal income taxation, and one or two provinces impose income taxation, and there is no telling when other provinces will not have it. There are even amusement taxes, and all these other taxes that we know of, and which I shall not take up the time of the House to mention. But that is the reason why immigration to this country is stagnant. We want desirable immigrants, and we are not getting them because the fact is known to the world at large that taxation in this country, under this government, is higher than in other countries to which these immigrants can go.

Mr. CARROLL: Would my hon. friend inform the House where taxation has been increased under this government?

Mr. RYCKMAN: I am labouring as earnestly as I can to conclude my remarks in as short a time as possible, and I do not wish to take up the balance of the session.

Mr. Speaker, I hope that the farming community is not going to be influenced by this dole, which has been reckoned at $2.50. The hon. member for East Elgin (Mr. Stansell) said that within his experience, and as he calculated it, it did not amount to more than $2.50. For myself I do not know how even that much is arrived at. But all industry, not only the farming industry but all industry, including, of course, and emphasizing agriculture, needs steadiness and stability, and this can only be got by getting together and by planning for the success of the whole country. The difficulty with this government is that when they go into executive session they plan how they can stay in power instead of how they can benefit the country. I would be very sorry if I thought the measure of the benefit agriculture was going to get was contained in this budget and in the tariff reductions for the benefit of the farmer. I think that agriculture has higher claims which should be recognized, and which would be recognized by any body of business men who sat down together to decide on the interests of the country and

how best to ensure them, just as if they were the directors of a business organization. You will find, Mr. Speaker, that the west and the east and the centre of this great Dominion will not be satisfied with any policy which is a distinct menace to any important section of the country. I wish to say that there is in the minds of certain people—I won't say the most important, but I do say a very important section of this country; I am referring to the manufacturing industry—the greatest unrest, disturbance, uncertainty, and perplexity, and so long as these conditions prevail the country cannot prosper.

The situation with regard to the United States troubles me very much. I am not offering what I am about to say as a solution of the whole matter, not by any means. But I frankly believe it would benefit the farmers of Canada, I am very sure it would benefit the farmers of the province from which I come, if we took a self-respecting, independent stand with regard to the United States. By that I mean this: I never knew anyone to get along very far in this life who had not a good measure of self-respect, who did not adhere to a straightforward policy in his own interest, and did not determine to do the best he could for himself with due regard to the rights of others. If there is a nation on earth that recognizes an upstanding man, a man of self-respect who will look after himself, it is the United States. For many years I have been interested in business in that country. Without any conceit I think I can say I know pretty well all about it, and I want to state now that nothing would condemn Canada in the minds of the people of the United States like a policy of truckling to the latter country, such as, when we have a duty of 4 cents on a particular commodity, allowing them to impose a duty of 8 cents against us. Just so soon as we make up our minds that we are going to look after our own interests, so soon will the United States respect us. But in the past we have truckled to the United States, we have lowered our duties against them, and every time we have done that they have retaliated by raising the duties against us. I am tempted to relate an incident which occurred but a short time ago. I was in the company of American gentlemen, and we were discussing the tariff. I said something like this: Canada is a new country, the United States is a big nation. We have got to have a tariff for revenue and for the protection of our industry. Why could not your country adopt a tariff with respect to us on the same basis as we adopt with respect to the United States? I said, "We are a young country, you ought to do that." What reply do you think I got to that suggestion? I venture to say not one man in this House could tell me the nature of that reply. The reply was, "Canada is not a new country, Canada is just as old as the United States." Read the last number of Current History. It contains an article written by an American. He said with respect to the United States that it stayed out of the war for its own economic purposes, and that when it entered the war it did so for the same reason. Just so long as it suits the United States to place a higher tariff against Canada she will continue to carry out that policy. She will lower the tariff when it suits her and not before. I have not a word of complaint to make against the United States. She is acting in what she conceives to be her own interest, with a desire to develop business for herself, and that is a thing she has a perfect right to do. In behalf of this Dominion I ask that we also should have some national self-respect and, in the light of past experience, attend to our own business.

Mr. HUGHES: When the United States made a reciprocal tariff offer to Canada who were the people in this country who refused it?

Mr. McMASTER: What an unkind question!

Mr. RYCKMAN: I was not the person.

Mr. MARTELL: Did you vote for reciprocity?

Mr. RYCKMAN: But that is now past history. I am not now concerned with the mistake someone is supposed to have made in the past. What I am concerned with now is the present and the future with the policy enunciated a year ago and the policy now outlined in this budget.

Before I sit down I have a suggestion to make. I have not consulted anyone with regard to it. In this respect I happen to be my own counsellor. I have made a statement in which I firmly believe but if I have formed a wrong opinion I am prepared to pay the penalty. I have said that there is no real surplus for the financial year 1923-24 and I reiterate the statement. Now if any reputable chartered accountant will certify that, having regard to the present worth of any guarantees given by Canada to the government railways in the year 1923-24, there is any real surplus of revenue over total expenditures for the same year, I will resign my seat. The chartered accountant may be

named by the Speaker of the House. I am quite willing, however, to take Mr. George Edwards, the consulting accountant to the Minister of Finance who last year represented the department in the committee on Banking and Commerce and who, I feel satisfied, would deal with the question as an accountant should. I have this further statement to make: If the right hon. the Minister of Finance is of sound mind and memory or so becomes and will now or then certify that he fully endorses the budget brought down by the Acting Minister of Finance on April 10th I will resign my seat. Mr. Speaker, I do not wish to act in a manner which may be considered as bizarre, or with any desire to attract notice, but I feel in view of the budget speech of last year, and the action of the government this year, that no man who admires good faith in public men, in the leaders of government, can tolerate such a change as we have witnessed in the recent budget following the preceding one. I make no conditions whatever as to the second proposition. With regard to the first proposition I make this condition. The hon. member for Queens (Mr. Sinclair) and the hon. member for Bonaventure (Mr. Marcil) have maintained that this government has a surplus of $30,000,000—the former was not frank enough to state that $10,000,000 had come from the previous government—but if any other hon. gentleman opposite is going to claim that such a surplus exists and that it will justify a reduction in taxation, I shall expect him to abide by the decision of the accountant referred to, and I think that is only fair.

Mr. ERNEST WILLIAM ROBINSON (King's, N.S.): As a representative from the province of Nova Scotia, at the outset I desire to express my regret at the absence of the hon. Minister of Finance (Mr. Fielding) and also the hope that he will soon come back to us restored in health and vigour of mind. As a new member of this House I am more or less amused at what takes place here occasionally. For two sessions I have listened to speeches in which the Liberal government was held up as breakers of faith because they did not in anyway reduce the duty on agricultural implements, and to-day we are told that they are breakers of faith because they did reduce them. It becomes very difficult for a new member to understand just where he stands.

Mr. MEIGHEN: Let me explain that the pledges that were broken were different. The one pledge was to take all the duty off, and that was broken; the next pledge was to maintain stability, and that was broken.

[Mr. Ryckman.]

Mr. ROBINSON: I think it is very difficult to satisfy the right hon. leader of the opposition (Mr. Meighen), no matter what is done. I find it almost impossible for any hon. member to discuss any question in the House unless he adopts, you might say, the viewpoint or the standpoint of the province from which he comes. Furthermore, he is liable to discuss it from the viewpoint of the constituency he represents. There may be some weakness in this or there may not. There may be an advantage. We in Nova Scotia realize that the interests of the Dominion of Canada are far greater than our interests. We realize that Nova Scotia is a small part of the Dominion, and yet we believe that the prosperity of the part will make the prosperity of the whole, and it is only as the different parts are prosperous that the whole will become prosperous. It is difficult also to legislate for the whole Dominion, our interests are so varied, and the country so great in extent. The gold mining industry is confined to the four provinces of Canada. The fishing industry is confined mostly to the Atlantic and the Pacific coasts. Some of our provinces have not any lumbering industries. Manufacturing seems to be centered in the provinces of Ontario and Quebec. There is, however, one industry that is common to the whole Dominion, and is found in every province in some form or other. That is the industry of agriculture. Therefore, it would seem to me that when the Acting Minister of Finance (Mr. Robb) attempts in any way to lighten the burden of agriculture, he is legislating for the whole of the Dominion of Canada.

I desire to say, Mr. Speaker, that ever since confederation there has been more or less discontent in the province of Nova Scotia. There is no use going back to ancient history to show the cause of our discontent; but I wish to point out that there has been discontent in Nova Scotia, owing principally to the fact that we have not progressed as fast possibly as other parts of the Dominion, and I might say that our not progressing is due to a great extent to our geographic position. After confederation we attempted to develop our industries as well as we could up to the year 1878. In that year the National Policy was introduced, and we were told that in a very short time Nova Scotia would be a great country. They pointed out to us our marvellous resources, and they are marvellous. They pointed out to us that we had great shipping facilities, and we have those facilities. They pointed out that we had the winter wharves of the Dominion of Canada, and we were told that factories would spring up on all sides. We waited for some time. The people were

told time after time that these things would happen, but what did happen? Well, factories did spring up. We had a certain number of woollen mills, a certain number of cotton mills, boot and shoe factories and so on. After a while these were absorbed by larger companies in Quebec and Ontario and finally, when the time came for the curtailing of production, our factories were closed down and we have very few there to-day as a result of the introduction of the so-called National Policy.

I do not want to give the House the idea that we are not making any progress in Nova Scotia. We are making progress along certain lines. I desire to call attention to the coal production of Nova Scotia. In 1891 we produced $3,543,000 worth of coal and in 1921 the production had increased to over $27,000,000. To-day it stands at about $40,000,000. I call attention also to our fishing production. Perhaps, in order to hurry along, I might give the carefully estimated figures for the year 1923. Our figures for that year amounted to something over $11,500,000 in spite of the fact that we have the Fordney tariff against us. The farm products of Nova Scotia for 1923 amounted to $26,000,000 and the products of the forest amounted to some $12,000,000. I call the attention of the House to the fact that these are the products of the basic industries of Nova Scotia. They are the products of mining, farming, fishing and lumbering. One other item I should call attention to is the production of iron and steel. This was virtually nothing in 1891 and has increased in 1923 to something over $12,000,000. Now if we are producing all of these goods—and we are—the question might arise, why is there discontent in Nova Scotia? I would point out, Mr. Speaker, that it is due primarily as I have said to our geographical position.

Mr. MANION: In regard to the production of iron and steel, which the hon. member mentioned, was that not due to a great extent to the bounty which was given for that production?

Mr. ROBINSON: Yes, I think so, and I would ask the hon. member, does he believe in the bounty system?

Mr. MANION: I do.

Mr. ROBINSON: I suppose that is one of the mildest forms of protection.

Mr. MANION: One of the best forms.

Mr. ROBINSON: I would say the production of the iron and steel was brought about by the bounty system. However, what I was trying to point out was that while we produced this wealth, the production and exportation of our products has become so expensive that we reap no profit from our production. We are virtually isolated from the rest of the Dominion of Canada. Transportation rates by rail have gone up so that it is almost impossible for us to place any of our goods on the market, if there were really a market for the goods. Transportation by water is also high. The result is that we have no market where we can dispose of our goods at a profit. Our factories have more or less vanished. When they tell us we should favour a protective tariff which would develop the factories of Ontario, so that we might buy their goods, we are willing to do so; we have no objection to that, but the trouble is that after we sell our goods, having paid the cost of production and the freight charges, we have nothing left to buy with, and I cannot see the benefit it would be to us for these factories to produce goods or the benefit it would be to them if we cannot buy goods after they are produced.

Now there is one item in which I am particularly interested, because it belongs to the county I represent, and that is the item of apples. I come from the centre of the great fruit growing district which we know as the Annapolis valley.

In 1891, we exported from Nova Scotia apples to the value of $211,000. That grew in 1921 to $4,800,000, which will give hon. members an idea of our increase in the production of fruit. For the last five years we have exported yearly over 1,500,000 barrels of apples, and this year the number will quite come up to the 2,000,000 figure. I wish to show what happens in the case of apples, and this is true in the case of other industries, especially those relating to the farm. We have found out by careful calculation that it costs us $2.30 to raise a barrel of apples so as to send it out to market. It costs, in addition to that, $1.70 to put it on the market, and it does not make any difference whether the market be Montreal or Liverpool; it costs about the same to send it to Montreal as it does to Liverpool, England. The great bulk, however, goes to the British Isles. The point I wish to make is this, that we have a minimum cost of $4 to put a barrel of apples on the market, and unless we can get something above $4, it stands to reason that we can make very little profit. Of course, it may be said: Why do you people not attempt to get freight rates down? I believe railway freight rates virtually isolate Nova Scotia from the rest of the Dominion of Canada.

As regards ocean rates, I might say a word in order to show that we have made an at-

tempt to get them reduced and we have been successful. During the war there was an embargo on the shipment of apples, which embargo was removed in 1919. During the year 1919 the rate for carrying apples from Halifax to Liverpool was $5 a barrel, but even at that rate we found that we could make a little because the price in England was good. Later on the bottom dropped out of the market, and the steamship companies found that if they did not reduce the rate we would not send any apples over, so that the result was that of their own accord they reduced the rate to $3.25 a barrel. The price however, of apples continued to fall with the result that there was formed in Nova Scotia what was called a shippers' association, formed by representatives of farmers, buyers and shippers of apples, and they approached the steamship companies to find out if it would be possible to reduce the freight rate below $3.25 a barrel. The strange part of the matter is that they had to go to the city of New York in order to find out about freight rates on apples from one British port to another in a British bottom. These representatives, however, went to New York, and they met this North Atlantic Shipping Board, or whatever it is called.

Mr. McMASTER: North Atlantic Conference, Eastern Board.

Mr. ROBINSON: They met these men, and they got a reduction in the freight rate from $3.25 to $1.10 by simply threatening that if the freight rate was not reduced, they would hire Norwegian tramp steamers, fit them up as fruit boats and use them for carrying the fruit. I am mentioning these facts simply in order to show that we have made every attempt we possibly could to get shipping rates reduced.

The next reduction that we might possibly make would be a reduction in the cost of production. The production of apples would include tilling the soil, fertilizing the soil, spraying the apples and so on, those operations that might be called agricultural operations. Of course, we cannot expect to make any reduction in wages. If we do not pay the men for doing this work as much as they can get elsewhere, they will go elsewhere to work and, therefore, we have not been able to make, prior to this time, any reduction in the cost of production. I have heard it said, over and over again, that farmers have no business sense; that if they would put as much brain power into the marketing of their goods as they do into the production of their goods, they would be able to make a profit. In Nova Scotia, we do apply brain power to taking care of the fruit and everything in relation to it. For instance, we buy co-operatively; we buy barrels, fertilizers and spraying materials in large quantities. We have built warehouses co-operatively. We handle the fruit usually through farming companies, so that we have cut out as far as possible any overhead expenses, and yet we have so far been unable to reduce the cost of production.

I should like to mention one fact about co-operation, because I do not believe it has been sufficiently stressed in this House. I believe it is possible—in fact I know it is possible, because we have proved it in Nova Scotia as regards the fruits industry—for the farmers to do a great deal by co-operation. Last session I was a member of a special committee on agricultural conditions, and I noticed one thing, namely, that in connection with handling fruit and various other crops throughout Ontario and some of the other provinces, there was no attempt at co-operative buying or selling on the part of the farmers. One of the most interesting witnesses that we had before that committee was Professor Jackman, professor of political economy in the University of Toronto, and if I might be allowed, I should like to read a few words from his evidence along this very line. He said:

> There is no question in my mind but that the present system of the individual farmer dealing with the organinzed groups with whom he has relations, is an out-of-date system. The day when the farmer as an individual can match up with the commercial structure from whom he makes his purchases, and to whom he makes his sales, is an outworn system. The farmer looking at his own particular interest has been too strongly individualistic; he is inclined to think that his individualty is at stake if he merges his interests with those of others in the same line in order to form a group to handle his products. The system under which he has worked in the past proved satisfactory; the system under which he is working to-day, the system under which the individual is grouped, the organization that handles and deals in his products is out of date, and the sooner the farmer can learn that, the better it will be; the sooner the farmer can learn that his interests demand that he shall work in concert with others in the same group as himself, so that they can operate together, so that they can present a united front in buying or selling, so that they can use a collective influence, the sooner will the farmer's conditions be rectified with some degree of permanency. But so long as the conditions prevail under which the farmer works as an individual, and buys and sells as an individual, so long shall we have this present difficulty, and the more the other groups become organized the worse will be the farmer's position, unless he follows suit. Now, in the present state we are accustomed to think that supply, the inter-relation of supply and demand determines the price of the product; there is no question in regard to the operation of that principle. There is the thing which is operating against the farmer's interests. When the farmer is putting his supply on the market in the fall or during any other season, and is putting that product on as an individual, and others are doing the same, they are competing against one another, whereas these organizations with which they have to deal are acting more or less in

concert. The buyers of wheat for example are acting more or less in concert, the buyers of live stock know what one another's prices are, and with these conditions prevailing and the individual farmer dealing with organizations of that kind, it simply means that the organized efforts of the group are going to bid one farmer against another, and that the man who is most anxious to sell will be the one who will take the lowest price.

I do not think there is any need to follow this further. In the province of Nova Scotia we have decided that co-operative effort on the part of the farmers is the only thing that will bring results.

Mr. HUGHES: If I may interrupt the hon. member for a moment, I do not think there are any better apples grown on the North American continent than those that are produced in Nova Scotia. Now we find in Prince Edward Island that we are unable to buy Nova Scotia apples because of the price. We can buy American apples, and in fact can get them from British Columbia, a little cheaper.

Mr. SHAW: Good apples too.

Mr. HUGHES: Yes, but not so well flavoured as Nova Scotia apples. Co-operation is a splendid thing so long as it does not result in abnormal prices to your own people. The question I want to ask the hon. member is whether apples are sold at a cheaper rate for export than they are sold for home consumption in the province of Nova Scotia.

Mr. ROBINSON: That is not the point. I should not care to say how few apples it would take to flood the Prince Edward Island market. The member for Antigonish and Guysborough (Mr. McIsaac) says three barrels. When we export apples we must ship them in large quantities and we can export them at a cheaper rate that way. Some of our apples are exported from Nova Scotia to Prince Edward Island and some to the island of Cape Breton, but in such small quantities that the price is enhanced. Furthermore, the railway rate is high. In fact, I would venture to make the statement that it costs as much to send a barrel of apples from Kentville to Charlottetown as from Kentville to Liverpool.

Mr. HUGHES: We buy apples from the United States and British Columbia.

Mr. ROBINSON: I wish to add just a few more words to what I have already said. I have tried to show that we do make, and have made, an attempt to reduce transportation charges on apples, and we have also attempted to reduce the cost of production; and having reached the lowest possible minimum that we can get we still have to do business, so that the margin is very small. The reason why the people in my constituency are more or less pleased with the budget proposals brought down by the Acting Minister of Finance lies in the fact that these proposals will result in lessening the cost of tillage, and so on, through reducing the prices of the necessary implements. Fertilizer is another important item in regard to which the budget proposals promise an improvement in agricultural conditions. The cost of fertilizer and also of spraying material being reduced, surely it can readily be understood why the constituency that I represent is satisfied with the present budget.

One word in conclusion. I have heard astonishment expressed at various times by different people that the farmers should organize politically. I have heard people almost resent the fact that there is in this present parliament a party comprised of farmers who are organized for political purposes. Personally this is nothing surprising to me. We have had preached in this country for over forty years the doctrine that it is possible for one class or industry to derive some advantage from political organization. Having had that doctrine emphasized during all that time is it to be wondered at that the agricultural interests of this country should have come to believe it after all? It is not surprising to me; and if the manufacturers can organize for political ends I do not see why the agricultural people should not. It seems to me the natural outcome and growth of the seed that has been sown during the last forty years. There may be those in this House who will say that any advantage that is gained by any class through the manipulation of the tariff up or down can be gained only at the expense of some other class. I for one believe that is right. I cannot see myself how it is possible for us to legislate a dollar into any man's pocket unless we legislate it out of somebody else's pocket. So that the best we can do is to try to have the least possible injury to the few and the greatest benefit to the many. I therefore favour the budget proposals because I believe that they tend to give the greatest possible benefit to the largest number while doing the least possible injury to a small fraction of the people.

Mr. J. S. WOODSWORTH (Centre Winnipeg): It would seem to me that, from the standpoint of the West, the budget undoubtedly is looking in the right direction; and yet, as I think of the proposals advanced, I cannot see that they go very far towards relieving the ordinary citizen of the burdens

5 p.m.

which are now imposed upon him. It is stated that the budget has been balanced, but I think that anything like a study of the budget itself must reveal the fact that this balancing is more apparent than real. Without discussing that point, however, I would suggest that in so far as it is balanced, it is at a very heavy cost. There has been a cutting-down of certain important services: we have seen the elimination of the agricultural grant and a reduction in the estimates for public health, services which surely ought to be maintained and extended at this time. On the other hand, however, there has been a continuance of the taxation levied on the poorer people involving very considerable privation in a great many homes throughout the country. The necessities of life are still taxed notwithstanding a large measure of unemployment; and what is perhaps the most serious phase of the whole situation, from the national point of view, we face the continued migration of large numbers of our people to the United States. It was stated the other day that over 100,000 of our returned men are now living in the United States. Surely nothing more significant than that could be said to indicate the unfortunate position in which this country finds itself to-day. A few years ago these men went overseas to fight for their country and they returned only to find that that country had no room for them. In my speech on the Address in reply to the Speech from the Throne I outlined some of the positions which we as a labour group took in regard to the general conditions of the country to-day. I should like to run over these very briefly to-day to illustrate some of the points upon which I have not so far had time to enter.

We have an enormous national debt, with its heavy interest charges; that has recently been very graphically set forth in a leaflet issued by the council of the Montreal Board of Trade. Last year I think I gave the figures for Winnipeg and the province of Manitoba; as a variation let me give these for the province of Quebec and for the city of Montreal. The public debt—Dominion of Canada debt and guarantees—has risen since 1913 from $98 per capita to $387 per capita. Adding the debts of the province of Quebec and the city of Montreal, the total of the different items per capita has risen from $241 in 1913 to $612 in 1923. It means that a family of five now owe $3,060, and a family of ten, $6,120; and, as this leaflet points out, "whether they know it or not, they are being taxed for it in high prices." That is what makes it necessary for some of us to urge a more radical change than the government has seen fit to make in the tariff at this time.

Let me refer to the income tax returns. We had a net total from individuals in 1922 of almost $40,000,000 and in 1923 of only some $32,000,000; from corporations in 1922 of over $39,000,000 and in 1923 of less than $29,000,000. This past year we raised all told only $60,000,000 from the income tax, a very considerable reduction on that which was raised the year before. The income tax at present seems to bear heavily upon the very large number of people of comparatively small resources, yet we find that the banks are able to declare large dividends fairly constant from year to year, and that notwithstanding the considerable bungling which certain failures have revealed. We further find that the railways, under the regulations of the Railway Commission, are practically guaranteed high dividends. The questions naturally arise why the railway and the banks should continue, whether the country is in a poor condition or not, to draw and to be practically guaranteed their returns when considerable numbers of people engaged in industry of various kinds have no such guarantee and in fact are losing steadily, and when large numbers of working people are having their wages forced down.

In connection with this income tax, I should like to point out the amounts that people outside of Canada have invested in our country. It has been estimated recently by several very competent authorities that Americans own something like $2,750,000,000 of assets in Canada. Britishers own something like $2,250,000,000 worth and other outside investors around $250,000,000. Putting the returns at 5 per cent, that would mean that this country must pay a tribute to outsiders of something like $262,500,000. The question arises as to why some of these incomes which are spent outside of Canada should not be taxed. In fact I should like to go further and say, why should there not be a supertax on incomes spent outside of Canada? I notice that some of those who are most urgent in their demand that everyone should pay the tax here in this country frequently travel across for the holiday seasons or for all the winter months to the United States and thus escape the indirect taxation which must be paid by those who must remain here twelve months of the year. Undoubtedly there is a great deal of injustice in the present arrangement. With hundreds of thousands of Canadians going to the United States, and with what has been called the economic conquest of Canada—that is,

the increasing foreign investments in Canada—I have wondered just what advantage there is in continually harping upon the old policies and uttering the old war cries. Take for example, the following paragraph from Sir John Willison's pamphlet some years ago on the programme of the Canadian Reconstruction Association—he represents the Tory position:

> We must either manufacture the raw materials of Canada, within the country—thus employing labor, rearing new communities, providing local markets for merchants and producers, strengthening the national structure, making the back of Canada strong to bear its accumulating burdens—or the sons of Canada will follow these raw materials out of the country, establish themselves in foreign industrial centres, and, more and more, from year to year, the national burden will become heavier and the issue of the great political experiment in which we are engaged become more difficult and uncertain. Every sound economic and natural reason, therefore, demands that the raw material of Canada shall be manufactured in Canada, and the Canadian people protected in the possession and control of their natural inheritance.

Might I suggest that all which was in that article prophesied as likely to happen if protection were abolished has actually happened within the last few years. A good deal of it would have happened even under free trade. The fact is we must get down below either protection or free trade to some more fundamental policy if we would meet the needs of the present hour. As it is, the natural inheritance of the people has been forfeited; we find a very large part of our natural resources in the hands of outsiders. And here I should like to refer to what I might term the bogus patriotism which is frequently brought forward in an effort to influence people's minds with regard to certain fiscal policies. During the war the hoardings of my own city of Winnipeg were placarded with big posters reading something like this: "Be patriotic"; "Keep the home fires burning"; "Buy Canadian coal." I remember at that particular time making some investigations as to the nationalities of those who were engaged in mining coal in the western area, and I found that, if I remember, some 70 per cent of them were Austrians, technically our alien enemies, and that a very considerable part of the coal measures was held by American syndicates. "Be patriotic; buy Canadian coal"; and all the time what we were actually doing was paying wages to the Austrian miners and dividends to the American mine owners. I have nothing against either Americans or Austrians, but why should we be deluded by these bogus patriotic cries. I was rather interested in an article which appeared just the other day in the New York Nation—an article which has been commented upon by some of our Canadian papers but, which I think, has not been answered. This is entitled "Economic Conquest of Canada" by Scott Nearing, in the number of April 16:

> The present economic policy of Great Britain is compelling American capitalists to take a larger and larger share of their production business into Canada. The General Motors, for example, from its plant in Ontario exported 18,000 cars in 1922. For at least one month within the past year British imports of motor cars from Canada exceeded in number and value imports from the United States. The reason is apparent. The British government collects a duty 1/6 less on Empire manufactures than on foreign manufactures. This extends in the case of automobiles to those which are 60 per cent built in Canada. The American manufacturer by locating a plant in Canada can thus supply the Canadian market free of duty and undersell his United States competitor in the markets of Great Britain.
>
> Should the British Empire raise a higher tariff barrier with the aid of imperial preferences, United States capital will be compelled to locate a still larger proportion of its plants in Canada. Thus British imperialism is laying the foundations for American control of the strategic economic advantages of Canada.

As the American Economist sums up that part of the situation:

> American capital is year by year obtaining a more complete grip of Canadian manufacturing and commercial business. Branches of large United States corporations are being established in Canada, or Canadian companies are being taken over, at a rate that indicates economic conquest.

What advantage is it to us if these factories are located here, if the profits are enjoyed by people who live outside the country, and the regulations which we make in this country force wages down below the rates that prevail south of the line? I refer to the high taxation, all of which results in the transference of wealth from the many to the few. I am quite well aware that a statement of mine on this subject will not be of any very considerable value, hence I would like to quote a statement of an economist of recognized standing, Mr. J. A. Hobson, who in speaking of this point says:

> This world war, destructive as it was, did not leave the world, as a whole, seriously diminished in its economic resources. It did not, even in Europe taken as a whole, so seriously reduce our productive resources as to make a long spell of poverty and recoupment inevitable. Almost all the economic cost of the war was defrayed out of the current real income of the world.

And again:

> The connection between the inflation which the governments and banks conspired to produce and the magnitude and ownership of the war debt is not obscure. The "money" which the governments got by printing notes, by borrowing from banks, or by inciting banks to give credit to customers in order to increase subscriptions to war loans (all pure inflation), they spent in buying goods and services. Thus prices and profits mounted up the faster, because this easy way of getting

money made governments more careless in the rates they paid for what they bought. The immense and rapid profits—due to the expanding prices, with a lag of wages and a virtual elimination of competition—the recipients invested in war loans, the only authorized and available investment.

Again:

At the end of the depression, virtually the whole of the debt will be held by the well-to-do classes, forming a considerable reduction in the proportion of the current income of the nation available as purchasing power for the working classes.

In discussing this question of the ownership of our war debt, the Toronto Globe recently quoted Mr. A. E. Ames as stating that:

On January 1, 1924, out of a total national debt of $2,516,000,000 not less than $1,969,000,000 was held in Canada, and only $546,000,000 in other countries.

Now the question I should like to ask is why should large numbers of Canadians be forced year by year to pay tribute to a comparatively small group of Canadians who profiteered during the war or made profits since the war and as a result of the war. Viscount Milner speaking of the war debts has this to say:

As regards that portion of the national debt which we owe to ourselves I do contend that it does not represent a diminution of our total national wealth, but a redistribution of it between individuals. It (the national debt) is an almost intolerable embarrassment to the government, which has perpetually to extract money from a great number of people in order to put it into the pockets of a much smaller number.

Sooner or later we shall have to face the handling of our great war debt in an altogether different way from what we have done in the past. People do not like to hear talk of repudiation. People are very fond of saying that we must keep all our agreements in regard to tax-free bonds, and so on, but why should the great majority of the people of this country have to suffer year after year in order to pay tribute to the very small group of those who hold the major part of the wealth of the country to-day? May I venture to say that three kings rule in Canada to-day: Privilege, Property and Precedent, and until these are dethroned the people can expect very little relief indeed.

I speak of the burden of the overhead charges which is crippling industry and commerce. I remember this being brought to my attention some years ago, when in the West we were in the full tide of our real estate speculation. As I went into a small town in western Canada I was met at the station by a friend of mine who had a very fine automobile. It was just when automobiles were becoming common. I said, "How did you manage to make enough out of your business to buy this?" He was running a comparatively small business. He said, "I did not make this out of my business. In fact, this car did not cost me anything." "Well," I said, "You had better let me in on that kind of a deal." He replied, "I had a few thousand dollars to spend, and I managed to make the first payment on a lot down-town. A few weeks later the lot had increased greatly in value, and a man offered me $2,000 on my bargain, and I took it. I had $2,000 to the good, easy money, and I suppose easy money was easily spent. I invested in the car. So you see it cost me nothing." It occurred to me at that time, if it cost him nothing, who paid the bill? There was a good car, good materials, good workmanship and all that kind of thing. Who paid the bill? He confessed that he did not. I venture to suggest that every man who built a house on that lot, or who rented the house after it was built on that lot, helped to pay that bill, that every customer who bought his groceries from the store built on that lot helped to pay the bill. It was a perpetual charge on the productive activities of the community. What is true of real estate is true of these many mergers we have had, from the Canada Cement up or down; it is true of Besco Steel, and similar corporations with what we commonly know as watered stock.

We find that constantly, whether in government affairs or in private business, we are told that fixed charges must have the right of way. I would like some day to see that statement successfully challenged. Why should those who have managed to secure a very heavy mortgage on the country always have a prior claim when other people are suffering? We need to have some revision of our ideals on this matter. I know of no reason other than that advanced by our legal fraternity, who are working largely on precedent, why the poorer people should always have to turn over the greater part of what they make to people who have thus legally or illegally secured mortgages on all their property and the results of their labour.

I think I need not mention here—I adverted to it on a former occasion—that agriculture to-day is in a deplorable condition largely owing to the tariff, high freight rates and inadequate credit facilities. My farming friends have been portraying that condition last year and again this year to the House. As a city man I do not come into quite such direct contact with this question as those in the rural districts, but those of us who live in the cities of the West, which are so directly dependent upon the farming operations cannot but be thoroughly cognizant of the bad conditions which exist at the present time.

I had a letter a day or two ago from which I should like to read an excerpt with regard to a new farmers' organization which is working along very radical lines. This is the extract:

> We were 700 strong last July. Now we are climbing to the 20,000 mark. * * * I am travelling around in this province, and I know the conditions here pretty well. * * * The whole province is in a state of bankruptcy.

By the way, he is speaking of Saskatchewan, not of Alberta.

Then he goes on to say:

> Farmers can no longer be fooled. They know that the bankers have a monopoly over the medium of exchange which governs all commodities. They know that an army of customs officers up the coast lines and across this vast continent and in the interior are millstones on their necks. The government is legislating into the hands of a few the honest earnings of the masses. We know of the watered stocks, and of the railways which are robbing the honest farm workers—women, children and all. We know that the interlocked bankers and like industries—steel trusts, milling companies, packing houses and transportation corporations are the Shylocks.

Now, I am not saying whether that is extravagant language or not, but I do say that very large numbers of people across this country are coming to feel that way, and this is a matter which the government cannot afford to ignore. I spoke of the unemployment resulting from a lack of producing power sufficient to absorb production. I wish I could induce the members of this House to read a recent book by the authority I quoted a few moments ago, Mr. J. A. Hobson. Mr. Hobson is not a Socialist; he may be perhaps termed a radical-Liberal. He is one of the men who has been appointed by the present government in London to investigate, together with a number of financial authorities and experts, the incidence of taxation in England. In his book on the Economics of Unemployment he says that the fundamental trouble to-day is that we have had altogether too much saving of a kind. Owing to the unequal distribution of the world's wealth, a comparatively small number of people have been able to retain as their own the greater part of what has been produced. In this respect Mr. Hobson is simply carrying out the thesis which was proposed by Mr. Maynard Keynes several years ago. This accumulated wealth, which could not be consumed by the people who owned it, had to be invested; it had to be put into fixed capital, and so there came to be an undue proportion of the annual production invested in fixed capital. That was all very well as long as the earning was confined to Great Britain, or confined to a few of the European countries, but as the development of the machine went forward and the organization of capital became more complete we had production on a large scale in almost every country of the world, including the great oriental countries. And so we have the anomaly to-day of goods being produced in enormous quantities, quantities that are too great for the purchasing power of the people, and in some way or another, he points out, we shall have to have a more equitable distribution, or if not that at least in some way, we must ensure that a large proportion of the annual output finds its way to the great mass of the people either in the form of services or wages. Now, this is an economic theory that, perhaps, is novel to a great many who have not studied the question, and yet one that is being endorsed by a growing number of economists who are regarded, at least in the Old Country, as safe and sane. We may ask ourselves whether we ought not to take action in this House more along the newer lines of thinking and less along the lines of economists who lived in the early days of the capitalist era.

Can Canada successfully compete with the mass production of the United States? I venture to say that she can only by lowering her wages, and that in return would result in less purchasing power in this country. Can the Canadian farmer compete with the lower standards existing to-day in southern Europe? I doubt it very much. They can do so only by lowering their standards to those of Europe. This is the world situation which we must face.

I have already referred to the continued emigration of our people from this country. In connection with it, what we ought to recognize is, that in this turnover of immigrants which is being helped by the railroads, and which is, of course, an advantage to them, we are witnessing a substitution of one class of people for another class—a substitution to no small extent of the city-bred people of Great Britain and the peasant people of southeastern Europe for the native born, sturdy Canadians whom we had in this country a generation ago. For whose advantage? Not for the advantage of the majority of the people in Canada. Not for the advantage of the people who are coming over here—at least they will not get the results, although their children may. Primarily it is for the advantage of the railway and other transportation companies. We labour men have sometimes been charged with blocking the immigration policy. We have done all that we could in this part of the House to discredit certain immigration policies which were proposed by the government last year. And we will be glad to do that again if these policies are brought for-

ward once more. But I do not think we can be said to be taking an altogether negative attitude; I would be quite willing to advocate an immigration policy if I might be allowed to outline some of the elements which must enter into such a policy. I would say, first of all, that there should be an expropriation of vacant lands across the country, so that the settlers of to-morrow would have in principle the same position as the settlers of yesterday, that is that they would not have the burden of payments on lands that have been largely held by speculators. We should relieve the immigrants of the burden of taxation just as we advocate should be done in the case of our own people. We would advocate the use of the railroads for the people. If the railroads could not pay and do the work we would say, "Do the work anyway." That is what is urged now in regard to the farmers—that they ought to produce whether they can produce at a profit or not. I would say further that we ought to insist that in some way cheap credits should be supplied. If our present banking system is primarily for commercial needs and not for industry, then we ought to either revise it or institute another system that will be fitted primarily for the producers of this country. We ought to develop our markets, to increase the purchasing power both at home and abroad; and above all we should provide for the social welfare of the settlers. In many parts of the West one whole generation has been sacrificed in order that certain people might profit by the inflation of land values. I remember a few years ago, when I had something to do with investigating conditions in the three prairie provinces, I made a proposal to the then premier of one of those provinces for the institution of a closer community plan by which education, and medical service, and expert advice along agricultural lines would be brought within reach of the settlers. The Premier said to me "That is all very well and very laudable, but how would you finance such a scheme"? I suggested to him that a very few cents additional tax per acre on wild lands would very easily finance the whole proposition. He threw up his hands. "Why" he said, "already the American investors are squealing because of our wild lands tax." This simply means that the premier of that province was carrying on the affairs of that province in the interests of the American investors who came here to put money in the land at, say $10 an acre, hold it till it rose to $25 an acre, and get away with the proceeds. The premier was not carrying on the affairs of the province in the interests of the bona fide settlers who were putting their very life blood into the building up of our Canadian citizenship.

I referred to the instability of our banks, and I do not wish to more than mention that at this juncture. We were told the other day by the Montreal papers that we ought to carry out in the most rigid form a sentence of 25 years and lashes in the case of a bank robber. I ask in all seriousness, what about the penalty for the officials who have wrecked a great many homes in this country? I think I may say that a great many people across the country are asking such questions, and the government is not going to be let go scot free unless it takes very drastic action with regard to those who are looting the people's funds on a larger scale than the bank robbers so-called ever had the opportunity of doing.

I spoke of still another matter, the concentration of economic power in the hands of small groups who are able to direct the policy of industry for their own financial gain rather than towards supplying human needs. Now this is not the place to enter upon a discussion of our present money system, but I would urge that, since money is the measure of all things, the quantity of money in circulation determines the value of the money unit. I use the word money in the sense used by the Hon. Reginald McKenna. Money for him is all currency in circulation among the public and all bank deposits drawable by cheque. At the present time the control of all our moneys—we have not a great deal of gold to-day, but all our paper money and our cheque money, because the cheques perform the function of money—is vested in the hands of banks, with very small supervision indeed by the government. That means that the bankers by inflation and deflation can cause a rise and fall in the price of all commodities, and thus really levy a tax on the people, without the people having any idea how severely they are being taxed. I believe that some of the Progressive members of parliament recently visited the reversible falls at St. John. The water at these famous falls flows one way during a part of the day, and during another part of the day flows the other way; and it has been long thought that perhaps some time the tide of the bay of Fundy might be used on a very large scale for providing power. I would say that the banks have anticipated any such action as that with regard to financial affairs, and with them it is a case of "Heads I win and tails you lose." They are able, whether it is inflation or deflation, to manage to get their part of what is vulgarly known as the rake-off. Through the

interlocking directors undoubtedly, as we pointed out last year, this control is centred in the hands of a very small group. I do not propose to go into any details in regard to the solution. Our natural resources fundamentally belong to the people and they should be taxed until they are forced out of private hands. I think of our great water powers across the country which are capable of electrifying our railroads and of supplying power for our homes if they could be brought into effective use. Our great coal lands have been leased to private corporations, and these corporations have been carrying forward their business with almost entire disregard either of the welfare of their workmen or of the public at large.

We spoke of the necessity of in some way bringing plant equipment under co-operative and democratic management, thus providing more abundantly for the needs of the people. There has been a very great outcry echoed in this House two years ago against the policy of "Go slow," "ca'canny," or "strike on the job," but I would suggest, Mr. Speaker, that when a railroad fails to carry goods unless it can do so at a certain profit, or when the manufacturer closes down his plant unless he can keep it going at a certain profit, he is doing precisely the same kind of thing as the labour man when he says, "If I cannot work at a certain wage, then I am not going to give my service," He is sabotaging. He is reducing production. I think I have heard some of my farmer friends say in private—I hope they will not think I am giving them away—that the only possible thing for the farmers to do is to go slow on the job, produce less, and thus bring the people generally to time. It is the same policy precisely. Looked at in the large, the policy is anti-social. In the case of the railroads and the banks the anti-social effects are undoubtedly much greater in magnitude. To-day we must remember that there is no such thing as private ownership of property. Since we produce collectively in all our larger industries, we must recognize more and more that no one can absolutely say with regard to a huge plant or a large railroad, "This is distinctively my business and I will brook no interference." Rather we must remember that we are advancing to a condition in which the public will claim a very real part in the carrying on of the process of production.

My last point in the analysis of the situation which I made was the necessity of basing our foreign trade policy and international relations on a clear recognition that the world has become an economic unit in which the welfare of each nation is dependent upon the welfare of all others. I venture to say that the movements which are going on in south-eastern Europe to-day, the proposals which are being put forth by the Dawes commission, the possible change of government in France after the next election, are far more vital to the people of western Canada than are the proposed changes in our tariff. We cannot imagine that we are going to solve our problems simply by looking at the situation immediately round about us. World affairs have become so inextricably intertwined, that we must do our share in helping to solve the world's problems, if we would solve those problems close at hand. I was very much interested a few weeks ago in noting that the farmers of the western States were beginning to realize the necessity for action along this line.

The Emergency Foreign Policy Conference of American producers urged the adoption by the American government of a vigorous foreign policy designed to fulfil America's obligations as embodied in her war aims. The main points in the programme are, we are informed, the following:

1. Establishment of reparations within the capacity of Germany to pay, with or without the participation of France.
2. Two-year moratorium to enable Germany to stabilize her government and industry.
3. Opposition to continued military occupation by foreign troops of the Ruhr and other invaded territory.
4. Sympathetic encouragement and support of the democratic German republic and of the trade union and co-operative organizations which are opposed to the restoration of militarism in Europe.
5. Opposition to international armament rivalry in construction of airplanes, submarines and poison gas, with the consequent increase in tax burdens upon the people.
6. Congressional appropriation for immediate relief for starving populations in Central Europe.

I would venture to suggest that something along this line might very well be adopted by our Canadian government. The lack of purchasing power in Europe cuts off our market there. The low standards in England or the low standards in Europe render it impossible for us to compete except by adopting similarly low standards. We were urged the other day to exclude the Chinese from the west coast; but so long as we continue to receive goods from China or Japan or other oriental countries, undoubtedly we are faced with the fact that we must compete with the Chinese who are resident over there. If ships cannot be repaired well enough or cheaply enough in Vancouver, they are taken over to China to be repaired by orientals. We must recognize the fact that to-day we face a new situation. I should like to suggest that we are children of the pioneers. Our forefathers

came into a new world several generations ago and were able to overcome all sorts of difficulties to them entirely novel. We, their children, face another new world. In the closing chapter of his book on the History of Mankind, Mr. Van Loon suggests a very apt comparison. He says that the ship of state might be likened to an old sixteenth-century sailing vessel. Gradually through the years the old sailing vessel has been made over until she has to-day been converted into a thorough-going, first class liner. The sails are gone; the motive power is now in the hold; the sailors have been taken off the rigging and put into the stokehold. They do not altogether like the new position even though it may be less dangerous than that up in the rigging. But he suggests that the fundamental trouble with the ship of state to-day is that the old captain and the old crew are still in charge, and the old charts and the old regulations still hang in the cabin. There is the trouble to-day. We need men with a new vision. We need to work out new theories of government and new regulations if we are to be able to sail the high seas of to-day with any measure of safety.

This numerically small Labour group has difficulty often in expressing its viewpoints. Very often the older groups or parties put forward a resolution, and we are forced to vote for or against it even although such resolution may not express what we believe or its negation accomplish what we want. I venture to suggest an amendment to the budget. I do so because I believe that, in many respects, although some of us advocate theories that seem to be very radical in their character, a very considerable number of the members of this House, especially members on the Progressive side, are quite willing to travel a long way in our direction if they are quite sure that we are not advocating anything that is immediately impracticable. So I have tried to draft a resolution in such a form that it will be found to be quite within the range of practical politics. I beg leave to move:

That all the words after "that" be struck out and the following be substituted therefor:

Whereas the budget proposals would seem to indicate the recognition by the government of the necessity for a fiscal policy designed to encourage industries based upon the development of the natural resources of the country, and to afford some alleviation of the financial burden, bearing upon the people;

And whereas the condition of such industries and the position of consumers in general is such as to demand relief;

Therefore, be it resolved that the best interests of Canada will be served by an immediate and substantial reduction in the tariff on the necessaries of life, including foodstuffs, clothing and building materials;

[Mr. Woodsworth.]

And further, that the loss of revenue, if any, which might result from such reduction in customs duties should be made good by:

(a) The readjustment and extension of the income tax to bear more heavily on unearned incomes.

(b) A direct tax on unimproved land values, including all natural resources;

(c) The institution of a graduated inheritance tax on large estates.

Mr. DEPUTY SPEAKER: With respect to the amendment moved by the hon. member, that will be left to the Speaker for his ruling.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. SPEAKER: Mr. Woodsworth moves in amendment to the main motion, seconded by Mr. Shaw:

That all the words after "that" be struck out and the following substituted therefor:—

Whereas the budget proposals would seem to indicate the recognition by the government of the necessity for a fiscal policy designed to encourage industries based upon the development of the natural resources of the country, and to afford some alleviation of the financial burdens bearing upon the people;

And whereas the condition of such industries and the position of consumers in general is such as to demand relief

Therefore, be it resolved:—

That the best interests of Canada will be served by an immediate and substantial reduction of the tariff on the necessaries of life including foodstuffs, clothing and building materials;

And further that it is desirable,

(a) That the income tax should be so readjusted as to bear more heavily on unearned incomes;

(b) That unimproved land values including all natural resources should not be exempt from taxation; and

(c) That a graduated inheritance tax on large estates should be considered.

Mr. C. A. GAUVREAU (Temiscouata): Mr. Speaker, I desire at the begining of the few remarks I have to make on the budget to extend my sympathy to the Minister of Finance (Mr. Fielding) in that he has been prevented by illness from occupying his seat in the House during this session and delivering the budget speech as we have been accustomed to hear it delivered for so many years past. But though we all regret his absence we have been fortunate in the choice of an Acting Minister of Finance (Mr. Robb), who has delivered a clear, short, substantial and unassailable budget speech. That budget speech has pleased the public at large; it has brought joy and happiness to the rank and file of the Liberal party, but I am afraid, Sir, that it has been looked upon as a thunderbolt from the blue sky of the Tory party in this House and outside of it.

Sir, since this government came into power, the Conservative party, and the reptile press that supports them, have assailed the ministry with vituperous denunciations, because, as they used to shout, they deceived the people of this country by not living up to the promises of the platform of 1919.

You are my witness, Mr. Speaker, that in this House, since 1922, our friends to your left, the loyal opposition, one after the other, have waxed indignant over the fact that the Liberal government had not the courage to apply, while on the government benches, the principles they put forward while in opposition.

Mr. MEIGHEN: Hear, hear.

Mr. GAUVREAU: The right hon. gentleman says, "hear, hear." Perhaps he wants to occupy a conspicuous position on the Chinese wall of protection. Well, I leave that to him; he is welcome to it. I would rather be with those who want a reduction of taxes in this country.

But, strange to say, Sir, the moment a Liberal budget is brought down, in which Liberal doctrines and Liberal principles are put into effect, you hear from the same corner the other song, that we are going to ruin the country by killing our best industries. No surprise in that, as far as the Liberals—the true and unselfish Liberals—are concerned; it is the role and duty of an opposition to criticise the government, even at the risk of being accused of inconsistency, and in the face of what we have already heard, I am satisfied that in spite of the cries of the Conservative birds of the capital, this country will continue to prosper, its industries will find their activities not interfered with, and the consumer will enjoy better life, while the industries of agriculture, fishing, mining and lumbering will expand to the great benefit of the mass of the population.

It is very pleasant, Sir, to see the Liberal party going forward and leaving behind it the Tory forces, whose politics are negative of all that a nation desires in order to prosper and be happy and contented.

The hon. gentleman who was Minister of Finance in the Tory government (Sir Henry Drayton) tried to place this government in opposition to what the Minister of Finance (Mr. Fielding) said last session about the stability of the tariff. He read to this House just that part of the budget speech of 1923 which suited his purposes, but he carefully avoided reading what I consider to be essential to prove that the Minister of Finance was not a man to be caught by any claptrap coming from any quarter whatever. It is because he knew that in a country like ours basic industries would need at some further date to be dealt with, that he said in his speech then:

> There will be cases, where, in the interest of the consumer, reductions in the tariff ought to be made. There will be inequalities discovered in the tariff which should be corrected; there will be errors which should be remedied. Any minister, any parliament must be free to deal with these cases as they arise.

He had foreseen that, based on our Liberal platform, a policy of reduction would follow after some time, and it is through this open door on the tariff question that our present government has thought fit and proper to act and to act wisely.

And, Sir, throughout this country, apart from the big interests concerned, a wave of enthusiasm has prevailed since the budget has come down. From the sea east, to the sea west, the people at large are willing to admit that it is a sound policy, a national one which has at heart the welfare of the great mass of the workingmen as well as people in every walk of life. How could it be otherwise when the budget lightens the burden of taxation by reducing the net debt of Canada by $30,000,000, while taxation is reduced by $24,000,000 this year? The Acting Minister of Finance (Mr. Robb) was right in saying:

> 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.

And with this approval, in spite of the attacks from behind and from the opposition benches, the government must go forward, joining hands with the majority of the people who were crying for a change, and who have got it at last.

Now, Sir, if on the one hand, I am prepared to congratulate the government upon its Liberal policy, on the other hand, I must warn it not to forget that while we need economy in the public service and a close supervision of every department, as far as expenses and personnel are concerned, public works must not go by the board for the sake of curtailing expenditures.

It is all very well to build branch lines especially when we see the Canadian Pacific Railway placing bonds on the market for twelve millions of dollars in order to start on a policy of extension and development; and I am not averse to helping our National Railways which are showing such good and efficient results under the management of a reliable and competent man like Sir Henry Thornton, but on the other hand, Sir, I want to see our wharves, our ports, our rivers, and

our public buildings, kept in good order and repair. I am sorry to say, that we are refused some necessary works which will cost more in repairs later on than if we do them just now. I will go so far as to say that we should sanction a certain amount of necessary expenditure on public buildings.

Take the case of Trois Pistoles in my own riding. The post office and the customs and excise offices are located in the city hall of the town of Trois Pistoles, paying rent to the city.

Now that the department is advised that the town needs the whole building for its own purposes, and the Department of Public Works has to go somewhere else for shelter, I think, Sir, it is the opportune time, for the Minister of Public Works (Mr. King) to place in the estimates an amount sufficient to erect a suitable building for the above-mentioned offices—post office and customs, at Trois Pistoles.

Another point to which I desire to call the attention of the government, and especially the careful consideration of the Minister of Trade and Commerce (Mr. Low) is the communication that should be established between the north shore and the mainland, below Quebec. Since the crossing between Murray Bay and Riviere-Ouelle has been dispensed with, there is no communication between the two shores, from Quebec to Trois Pistoles, a distance of more than 130 miles.

All that part of the north shore, from Malbaie to Bersimis, with a population of more than twenty thousand people, is left without communication with the south shore or mainland, except during the season of navigation by sailing vessels.

It is a problem the government should have at heart to solve, and the sooner it is solved the better. These people pay taxes like the rest of us, but are deprived of all facilities for their commerce and industries.

It would cost very little to grant money to a company which will put a boat under commission to give these people communication with the south shore, especially in those hard months after the closing of navigation.

We have had in years past, a ferry boat for winter navigation between Rivière-du-Loup and Tadoussac and Escoumains on the north shore. It was a success and a benefit to the people on both coasts, but unfortunately the Conservative party while in power, for petty partisanship, caused the service to fall to the ground. I hope the government will see that this service is restored so that the population on the north shore, isolated from the rest of the world for so many months during the winter season, may be relieved of a great hardship not understood by those in more favoured places who enjoy efficient transportation.

Now there are complaints in regard to the National Railways which should be aired in the presence of the Minister of Railways so that he may help us in securing justice. First of all, I find that the management is not dealing fairly with the employees, in not bringing down at once a new pension fund. There is to-day in operation the relief and pension fund of the old Intercolonial railway employees but it is inadequate to meet conditions under the present cost of living. The minimum of pension is $30 a month, a paltry sum which is not sufficient for a man with a family to live on. Working men on the government railway should be better treated, and the sooner a new pension fund is created the better it will be for the whole system. I can assure the minister that all the men interested are willing to contribute a higher sum annually to the new fund, provided they receive a better pension when they retire from the service.

Mr. CARROLL: What pension are the men receiving now?

Mr. GAUVREAU: The Intercolonial Pension Fund is the only one which exists at present. I was told by the minister that a new scheme for the whole system is in course of preparation but really think they are taking too much time in formulating a plan which will be satisfactory to all concerned.

Mr. CARROLL: Does my hon. friend know that men who worked on the Intercolonial for seventeen years were discharged in 1911 without any pension?

Mr. GAUVREAU: Yes, the story is so bad that it would take two years to outline it in detail, and I do not want tonight to occupy an undue amount of the time of the House.

I must also complain about the service in the county of Temiscouata, which I have the honour to represent in the House. For example, stations like St. Eloi and St. Arsene, where a business amounting to $100,000 a year is transacted, are left to the care of one man alone. The station agent, after working eight hours a day, from 8 a.m to 4 p.m., closes the doors, and the public arriving or going out on the evening train are left in the dark to themselves; there is no one to help with their baggage, and there is no shelter from inclement weather. Over a

month ago I sent complaints to the proper officers, but up to now nothing has been done to remedy the evils complained of, and I beg to call the serious attention of the Minister of Railways to these facts so that he may cause some steps to be taken for the better treatment of our population, especially in the two parishes above mentioned.

I should like also to deal with the methods employed on the Canadian National Railways in connection with investigation. I will give an example of what I mean. Some time ago accusations were brought against a certain station agent in Temiscouata. The accuser was prepared to submit his case, supported by proofs, to the commissioner appointed by the government. But, Sir, the accused was examined, although not put under oath, and in the absence of the accuser denied everything alleged against him. As a consequence he went scot-free. Another case, and a recent one, had reference to the conduct of a Levis man named Levesque. This man was accused of having used liquor while on duty and was dismissed. The investigation took place but in the absence of the accused who had asked, but with no success, to be allowed to attend with his witnesses. This man sued the National Railway board and Chief Justice Lemieux has given judgment in which he declares the dismissal was unjust and unwarranted. The result was that the railway board were condemned to pay $2,000 to the man who had been dismissed without his case being heard at all. I can cite many instances of the same character.

May I be permitted to say that that is not the way to administer justice on the Canadian National Railways. Are we going to allow the interests of the employees to remain in the hands of those who have shown they are animated neither by justice nor fair play?

In conclusion allow me to read a few lines which may be interesting to the two old-time parties, the Liberals and the Tories:

> The Conservative opposition will, of course, fight the government's proposal to reduce the taxation on Canadian industry, where such reduction means the lowering of the protectionist tariff. There may be some sniping of leaders, too, from behind the Liberal front line. But the government has nothing to fear from a straight contest on the tariff issue.
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> Against the Conservative policy of negation, the Liberals show, at least, some intention of going forward. It is an uphill fight, handicapped as the government is with the burdens of debt which have been fastened upon the country in years of frenzied finance. But the prospects of a real battle for progress should stir Liberal enthusiasm, and enlist the support of like-minded people, by whatever party name they call themselves.
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> The Conservative opposition has been magnified out of all proportion in the present parliament, very largely owing to the policy of the government in marking time instead of going forward with the mandate which the country gave to the Freer Traders in 1921. When the time for the next general election comes, even though all the resolutions of the national Liberal convention have not been enacted into legislation, a session of genuine effort to deliver the goods would place the Liberals in a more favourable light. The people of Canada are in the mood for trying something, anything rather than to stagnate, or to keep going round in the vicious circle of timid futility.
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> Even though the Conservatiive party were able to line up all the reactionary interests in the country to elect another Conservative government, it would avail them nothing. Canada must go forward, along liberal lines.

Mr. C. H. DICKIE (Nanaimo): It is pleasant indeed to hear from members on the other side of the House of the prosperity of Canada under Liberal rule. Several of them have referred to that. I have not noticed though that there is any congestion of passenger traffic at our international boundary line of people coming from the United States back to Canada again. However, the hon. member for St. Lawrence-St. George (Mr. Marler) has not spoken yet and possibly we may hear from him of the return of some of our people from the south. Were I a bigoted political partisan, I would say that I am pleased with this budget speech, because I am quite sure that a wave of resentment will sweep across Canada in consequence of the action of the government at this time. However, being a Canadian I can only confess to a feeling of sorrow that the great Liberal party should at last capitulate to the free trade element of the country, because that is what it means.

An hon. MEMBER: I hope the hon. gentleman is right.

Mr. DICKIE: An hon. gentleman says he hopes I am right. I am giving him credit for that. The government for at best a year or two of power will capitulate to the free trade element of the country, for let it be understood, and it will be understood, that the present proposed reduction in the tariff is only a beginning. The western farmer will experience but slight relief because of this reduction. Our manufacturers are appalled. The Progressive party is not going to stop at this reduction; other manufactured articles, including shoes, clothing and furniture will be next in line.

What person or company will embark in enterprise in this country with the sword of Damocles hanging over their heads. It is impossible to get capital to engage in enterprise unless they have some guarantee that there will not be a continual tinkering with our tariff. A short time ago hon. gentlemen will remember a bond issue of fifty million dollars was subscribed readily in this country

out of capital which should under other conditions have been embarked in industrial undertakings or in developing the potentialities of our wonderful country, as has been ably pointed out by the hon. member for East Toronto (Mr. Ryckman). People are afraid to trust their money in industrial enterprises and prefer bonds. How can it end? It can only end in disaster for Canada. We must have stability, and if we do not have that stability, I should shudder to think what may become of our country. We have going out yearly to the United States $250,000,000 in excess of what we receive from them. Of that amount $188,000,000 represents our adverse balance of trade with that great country. The balance represents interest on bonds, municipal, provincial and federal, and also interest on American investments in this country. Just think of it, Mr. Speaker, one billion dollars every four years! Is it possible for any nation? Can any nation of nine million people stand an expenditure of one billion dollars going across the line every four years?

That is what is happening to-day, and still in the face of that we are lowering the tariff barriers to that country in order to bring in more importations, and to have a larger amount of our capital go across the line. It is inevitable that we cannot go on indefinitely along these lines. Surely the Progressives have not a monopoly of the economic sanity of the world, the principal nations of which have decided against free trade. I say the principal nations; well nearly all nations have, with the exception of England. And what of poor old England, with a million and a half of unemployed men, her factories idle, her shops filled with cheap articles from continental Europe? Premier Baldwin pointed out the only remedy for a part of England's trouble, but England listened to the voices of the theorists and of demagogues and rejected the advice, and so you have what you see in England to-day.

The hon. member for Bow River (Mr. Garland) in a recent speech said that the coal mines of Alberta required no artificial stimulation, and that the normal growth would take care of the business for those coal mines. I think it would be illuminating to the hon. gentleman if he would only study the history of the iron and steel industry of the United States. That country struggled along for some years. It was impossible for it to compete with England with its great supplies of iron and coal, lying side by side, and with its highly organized industries. Then a heavy duty was imposed on iron and steel coming into the United States. That was found to be inadequate. After a heavier duty was imposed, and only when a prohibitive duty was placed on iron and steel was it possible to build up the industry in the United States. Nobody could overrate the importance of that industry, which is recognized as the barometer of trade in the United States to-day. Had the industry not been protected, had the artificial stimulation of which the hon. member for Bow River spoke, not been applied, England would still, or at least until 1914, be sending this iron and steel into the United States.

The hon. member for Lisgar (Mr. Brown) the other day informed the House that he would like to go over to Wisconsin and buy some heifers. It seems too bad that a man should not be allowed such a small privilege; but if he has heifers or if he has wheat, or cows, or chickens to sell, does he suppose that the people from Wisconsin are coming over to buy from him? They have said plainly and distinctly, through their McCumber tariff that they will not do so. You could not sell one of your cattle over there if you tried. They do not want them there. They say "Keep your tarnation critters off our land. Them is our sentiments, by heck." That is what we hear from his farmer friend across the line.

Mr. BROWN: Is the hon. member under the impression that the member for Lisgar wanted to buy cattle to please the Americans or to please himself?

Mr. DICKIE: To please himself. He wanted to take his money over there, buy cattle, leave his money there and bring the cattle back. I do not think that a man who would deal with a country that absolutely refuses to buy from us displays any great Canadian spirit. A man who, in a Uriah Heep kind of way, goes to the States to buy from them when they will not buy from us is not showing the right spirit. We obviously benefit to a degree from the amount of American capital that is invested in our country. The Americans come in here, and we welcome them They have invested their money and made profits. Those profits go to build up their cities and enhance colossal fortunes across the line. But we do not get as much out of our resources as we should get. On the wild north coast of Scotland there is a humble monument erected over the graves of twenty or more drowned seamen. On the monument is inscribed—

Mr. FORKE: That is as old as the hills.

Mr. DICKIE: Well, so are you. On this monument is inscribed "Erected by Scotchmen to the memory of unknown sailors out

of a part of the money found on their bodies."

With respect to this money going across the line from the West, I have seen the up-to-date cities of Spokane, Seattle and other cities fostered and become prosperous because of the mineral wealth and money which they have got from our Yukon region and our Kootenay region, money which should have stayed in Canada. Across the line they have an era of prosperity which we do not have in Canada. In days gone by I have seen Los Angeles, when it was smaller, practically thronged with people from the prairie provinces. Those were in the days when they were making money either by speculation or by wheat mining; but many of them were going down there taking with them money which they had accumulated in Canada and making their homes in Los Angeles as they had a perfect right to do. People called them "wheat miners," and the term "wheat miners" is right, because raising wheat year after year means simply mining out of the soil the nitrogenous element which has been years in accumulating. The people in the West must turn to mixed farming. While it would be presumptuous on my part to tell them how to farm or anything relating to agriculture, it is inevitable that they must turn to mixed farming. In San Joaquin and Sacramento valleys in California in the summer you would once see waving fields of wheat, and in the fall, as far as the horizon, you could see blazing stacks of straw. They were taking everything from the land and giving nothing back. The yield fell from 20 to between 5 and 7 bushels an acre, and then the growing of wheat was discontinued. We all remember when the Dakotas were noted for their magnificent wheat, but we hear very little about that now. History will repeat itself in western Canada, and surely the time is at hand when we should conserve our resources. We are raising too much wheat at the present time. Let us take the copper market, in the big mines in the West when the price of copper drops below ten cents a pound, it is impossible to produce copper at a profit. The smelters close down and the mines close down to a certain extent. When consumption overtakes production again and copper goes up to 13 cents a pound, the mines are started again. If the good farmers of the West could act in a similar way with regard to wheat, they could get $1.50 a bushel for their wheat which is as low as wheat should be sold at. That is the way the thing works out in regard to copper, and I know of no other way in which copper could be worked. Why is that not applicable to the wheat industry? People will say: The farmers cannot do those things and I believe that may be true. The problem is one that cannot be cured by tariff legislation. In 1921 we imported $24,000,000 worth of agricultural implements into Canada. The duty on those implements does not amount to more than one-third of a cent per bushel on wheat, an absolutely insignificant fraction as regards bringing prosperity to the people of the West. Against that one-third of a cent which they might get, but which I do not consider they would get in the long run, we have the appalling case of manufacturers throughout Canada not knowing which way to turn. These manufacturers are honourable men. We must take their word with respect to the business they engage in. We have their balance sheets which show that they are losing money. Some hon. members feel a little annoyed when the word "manufacturer" is mentioned, and I have even heard the hon. member for Saskatoon (Mr. Evans) emit moans as if in pain when the word "manufacturer" is used. I believe he is an absolutely sincere, lovable gentleman; but it seems to me, living in those great lone prairies with too much time on their hands, these hon. gentlemen to my left have imbibed too many theoretical principles and have not adapted themselves to things that are practical.

As regards free trade, the hon. member for North Waterloo (Mr. Euler) the other day in a few words expressed sentiments regarding free trade that cannot be denied. The hon. member said that were conditions of living equal throughout this world free trade would be right and practicable, but until such conditions exist, it is not practicable. That is a fact. For instance, in our

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case on the Pacific coast, supposing America were guaranteed one hundred years of free trade with the Orient, where do you think your manufactures would go? Manufacturing establishments would spring up like mushrooms in those countries of the Orient where labour was worth ten or fifteen cents a day. What would happen to our manufacturing centres in this country? The farmers may say: We are farmers; we can live off the land; but we must look at things in a broader light, and I am sure my hon. friends in their quiet moments do so. Up to date, we have used the farmers very decently, I consider, with their agricultural colleges and experimental stations scattered throughout the country and railroad facilities. Now they want us to build the Hudson Bay railway. Who would build it? Would the cost come out of these gentlemen? It must come out of the industrial parts of Canada, the forests

and mines and fisheries of British Columbia, the forests, mines and fisheries of the Maritime provinces, the industries of Quebec and Ontario. How much would the farmers of the three prairie provinces subscribe to the Hudson Bay railway? Nevertheless, they do not seem to have any gratitude in their hearts; they have no consideration for the manufacturer who shows that he has been losing money for years, with his back against the wall, trying to keep his employees together, trying to do something for Canada. Those are things that make us at times just a little annoyed with the theories which we hear from hon. members to our left.

Undoubtedly, consideration will be given to them in regard to railway rates. I believe the railway rate from Edmonton to Fort William on wheat is about 24½ cents a bushel. For just one-half the distance over an equally good grade to the city of Vancouver, the rate is 22½ cents. Nobody can call that an equitable rate and it must be lowered. The people of the whole of Alberta must have a low wheat rate across the mountains into British Columbia. I do not say that because I am a British Columbian. I am trying to look at all these matters from the standpoint of a Canadian who wants to see our country go ahead, who realises that we are not making the progress that we should make. We are side by side with a magnificent nation to the south of us, a nation that came through the war with half the money in the world and with flying colours. On the other hand, we came through the war, mortgaged up to the hilt, with our young men coming back, battered, and we are fighting up the hill. Let us, like Canadians, turn our backs to the wall to the south and fight in order to make Canada a nation to be proud of.

In order to preserve Canada, let us adopt the only course that is commensurate with dignity and that will make Canada what we wish it to be. That course is to copy other nations, to adopt a protective policy, to nail our colours to the mast. Let the manufacturing interests. let everybody know that these will be our duties twenty years from to-day, and in that way you will see an immediate recovery. Let us make our duties exactly the same against the Americans as those which they have against us. There is not one argument in favour of letting their eggs come into Canada at four cents a dozen while ours go in there at eight cents and our cattle are hardly able to get into the United States at all. They are charging 42 cents a bushel duty on our wheat. I would prohibit every bushel of Canadian wheat from going into the United States. Establish flour mills in the West and make the best grade of flour in the world. Advertise that fact. Ship flour, not wheat. Do not allow our No. 1 Northern to go into the United States to raise their grade of wheat in order to make flour that will compete with ours. Those are bigger things than any tariff tinkerings that have been going on in this House this session. We must stop this exodus of money to the United States. As I have said, we are sending a billion dollars across the line every four years. We cannot stand the strain with a population of 9,000,000. Let us produce and consume our own bacon and coal and let our Progressive friends to our left throw away their can openers and produce more of the commodities that they are buying. It may be presumptuous on my part, and if I am wrong I desire to be corrected; but it struck me in my peregrinations through the prairie provinces that there is a lot of money lost through depreciation in agricultural machinery which is left outdoors exposed to the elements for twelve months of the year. I think that there is lost in this way almost as much as is collected in the way of duty on agricultural implements. I may be wrong in that regard, but I certainly do know that machinery left out in the open in the climate of British Columbia would deteriorate to a very marked degree. Any man who has an elementary knowledge of oxidation of metals and of the effects of alternate dampness and heat on the wooden parts of machinery will, I think, realize that there is at least some justification for the suggestion I have just made.

I think, Mr. Speaker, that we ought to avoid all racial feeling and creed distinctions, and discard as far as we possibly can any differences of this kind that divide us. What care we what a man is provided he is neither yellow nor red, nor turns his face towards Mecca? If a man is honest and honourable, a white man and a good Canadian citizen, there is no reason whatever why he should not make good in this country. Let us give people credit for sincerity in their beliefs. There is no reason for intolerance in this country, whose people are a splendid race. The people of Quebec, with their charming folk lore and their admirable traditions, and the people of old Ontario, who also have traditions of which they may be proud, are all equally good Canadians, and we do not want any line of demarcation between them. I am sure, too, that the people of the prairie provinces are among our finest citizens. It is therefore humiliating, Mr. Speaker, to hear people raising cries of racial

and other differences. This to me seems cowardly and I think we ought to put our backs to the wall and endeavour to make Canada a country to be proud of.

If I have said anything in the course of my remarks that might be construed as a criticism of the business methods of our American friends I take this opportunity to disabuse the minds of hon. members of any such impression, for I have every respect for the American people and am heartily in accord with their tariff policy. I believe that policy a wise one which should be followed by the Canadian people. The Americans have prospered under it, and other countries have adopted it; and here we are tinkering with the tariff, reducing the duty a little here and there, in the endeavour to placate an element that could be pleased in a larger way without such concessions, which have the effect of disturbing the whole industrial activity of the country. So far as the amendment submitted by the hon. member for Centre Winnipeg (Mr. Woodsworth) is concerned, I really do not think that it calls for any discussion.

Mr. HENRI E. LAVIGUEUR (Quebec County): It is customary to congratulate the Minister of Finance who has delivered the budget upon the excellence of his performance, and on the present occasion I take great pleasure in associating myself with my hon. friend (Mr. Dickie) in tendering to the Acting Minister of Finance (Mr. Robb) my sincere congratulations on the very able manner in which he has discharged the duties of the office this year. In the budget speech there are a few announcements which I think will reassure the people of this country, and the present government deserve every commendation on the way in which they have adjusted the finances so as to make possible the promise of a surplus in the administration of the affairs of Canada. It is also a great comfort to learn that the burden which has been bearing so heavily upon the shoulders of the taxpayers is diminishing to some extent. One practical instance of this is the reduction which has been made in the sales tax. It has been wiped out in some instance and on the whole has been reduced from 6 to 5 per cent. True, it is not a great reduction, but I think it may be regarded as a step in the right direction. The present government assumed a very serious obligation in 1921 and they have succeeded in greatly improving the condition of the country. The policy which has been followed by them is one that appeals to the Canadian people, the policy of retrenchment and economy.

If I say that the budget in some of its aspects is a great satisfaction to the people of Canada, I must confess on the other hand that there is undoubtedly an unsettled feeling in regard to tariff reductions, and the manufacturing element is somewhat alarmed as to what will be the future policy of the government. I understand that the reduction on agricultural implements is well received by the agricultural classes of the country, who are the great mass of our citizens and who are a deserving body. A compensation has been offered the manufacturers of agricultural implements by putting upon the free list the raw material that goes into the making of this machinery; and the sales tax has also been removed from this line of manufactured goods. In Quebec city we have a lot of important shoe factories, and as I have already stated, those interested in them are somewhat alarmed, not so much by what is contained in the budget as by certain remarks made by some influential members of the government. The hon. Minister of the Interior (Mr. Stewart), in the speech he made on the budget, said, as reported on page 1337 of Hansard:

> One could not help but be struck this afternoon, in listening to the address of the ex-Finance Minister (Sir Henry Drayton) by the fact that he saw very little wrong with the budget as presented on this occasion, but it was interesting to note the desperate way in which the hon. member declared that it was the death knell of protection. One would have thought that we were listening to a funeral oration this afternoon, and I trust that it will be the death knell of protection. I do not mean to suggest for a single moment that we should vote at this time to abolish the tariff in its entirety, but rather that we should do as we have been doing,—as to which my hon. friend complained so bitterly—continually amend the tariff where it bears too heavily upon the production of the country.

Mr. Speaker, in addition to that declaration of the hon. Minister of the Interior we have the pronouncement of the hon. member for Pontiac (Mr. Cahill) who stated that he would be quite willing to abolish the tariff on boots and shoes. I wish to put myself on record, as a Liberal member supporting the government and a representative of the province of Quebec and the district of Quebec, that we do not share the views of the hon. Minister of the Interior and of the hon. member for Pontiac. We have nothing to complain about in the tariff as it is now, but if I might be permitted to make a suggestion to the government I would ask them to have more protection as regards the British preference in the matter of shoes which are brought in here and which compete with the product of our shoe factories in the province of Quebec. I would suggest also that the sales tax, which has been diminished

from 6 per cent to 2½ per cent on shoes, should be entirely eliminated from that product and imposed to the extent of 5 per cent on imported shoes, so as to show our industries that we are willing to protect them, and also to do away with the feeling of uncertainty which prevails among those engaged in this class of manufacture. As I said a moment ago, I am not partial in my views; I think it is our duty to protect the agricultural interests and it is our duty also to protect the industries of our country. I think the budget as a whole should be well regarded by the citizens of Canada, because it contains many announcements which should be well received.

Mr. MEIGHEN: I do not want to be unfair to the hon. member and I will not ask him a question if he would prefer not. But if he does not object I would like to ask him this: I understood him to object to the present British preferential tariff on boots and shoes, which at its lowest is 18½ per cent, as too low. If such is his objection, does he think 10 per cent on binders, mowers and reapers is too high?

Mr. LAVIGUEUR: I do not think that the comparison can be made between boots and shoes and binders. I understand that the object in reducing the tariff on agricultural implements is to protect the farmers and agricultural classes, but in the other case it would be to protect the shoe industry which has to meet competition from other countries. I do not think the comparison should be made between the two; that is my answer to the question.

I wish to tender my congratulations to the government upon their policy of economy and retrenchment. I am in favour of that policy, but I am in favour of real economy. We in the province of Quebec and especially in the district of Quebec and Quebec city are quite willing to put up with the situation; if there is no money to be spent, no work to be done throughtout the country, we are quite willing to make our sacrifice as we have made it for a number of years. But there are very important works that are urgently required and should be proceeded with in my city and in my district. In the constituency which I have the honour to represent in this House we have made several demands and we hope that they will yet be carefully considered and that justice will be done in respect to them.

I am in favour of economy and retrenchment, and I must confess that I am somewhat astonished at the great amount of money which we are being asked to vote for branch lines. I know that a good many of these new branch lines are probably essential to the good administration of the Canadian National Railways, but we are told that many of them could be delayed for some time without the railways suffering. If we had retrenchment in this matter of branch lines, probably the district and province of Quebec would not have been refused for years its just demands for most essential works. With the money that is being spent on some of these branch lines, which could be delayed for some time without the railways suffering, a good many very necessary works in the district and province of Quebec could be proceeded with. Lately I have been asking the government to repair or rebuild the sustaining wharf at St. Gregoire, which was built by the government, at government expense, and has been maintained by the government since 1905, but as yet we have not been able to succeed in getting a grant of money to repair this wharf. At Loretteville, which is a very important centre, we have been asking for the erection of a post office. We have also been asking for the erection of a post office at Beauportville, which is also very necessary, but the answer to our demands has always been that the government has no money. I hope that these demands will be seriously considered by the government and that the necessary provision for these works will be made in the supplementary estimates.

Another very essential work is the building of a bridge from the island of Orleans to the north shore, where the people in six very important parishes are without any means of communication whatever. I understand, of course, that the government itself cannot build a bridge, but a subsidy could be granted to help in the building of a bridge at this point, just as was done in the case of the bridge from Isle Perrot to Montreal. All these demands have been pressed upon the government, and a good many other demands by members from that district, but they have not been satisfied yet. We do not wish to blame the government, but I think the time has come when the government should seriously consider these demands and do something for the province of Quebec which has sent here sixty-five members out of a possible sixty-five. The citizens of the province of Quebec are counting for something upon this government, which we have maintained in power since 1921. I do not want to be too severe on the government and no one will contend that I have been. I am a supporter of the government; I have always been faithful to the government; and

I intend supporting it, but I would urge upon them that something should be done for our district, and our demands should receive more serious consideration.

Mr. Speaker, I have expressed myself as best I could in a language which is not my own, and one in which I have a certain difficulty in expression, but I use it because it is always more satisfactory for a member to speak in a language in which he will be at least understood. I would suggest, and I think this is the proper occasion, that in this House of Commons, where both English and French are the official languages, every member should be able at least to understand both languages, and in this connection I would like to cite as a splendid example the magnificent speech that has recently been delivered in Toronto by one of our most distinguished and most respected citizens, the premier of our province, the Hon. Mr. Taschereau, who has been giving some good advice to the people of the province of Ontario. I think it is very desirable that many more men from Ontario with the spirit of the Hon. Mr. Taschereau should come to our province of Quebec and speak in the same sense in which he spoke in Toronto.

Mr. J. F. WHITE (London): The budget speech of this year is of particular interest on account of the reference in the Speech from the Throne to "tariff re-adjustments" and the statement that "reduction of taxation should aim primarily at reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion."

That statement was construed in the public mind to mean a reduction of some kind in the case of agricultural implements. We are told in press reports that when a deputation from the makers of agricultural implements waited on the Prime Minister protesting any reduction in duties, he told them he could not understand why they should surmise that a reduction of duty was intended; as a change in, or abolition of the sales tax would have the effect referred to in the address.

Manufacturers, factory workmen and the inhabitants of the cities generally had the word of the Prime Minister, given during the 1921 election campaign, that despite the tariff platform of 1919, he could give them the assurance that, to use his own words "Our tariff is a tariff for revenue. No legitimate industry in this country, making a legitimate profit, need have any concern one way or the other as to what will happen to its future under Liberal policy in the administration of the tariff." He made that statement November 5, 1921, in my city where he spoke in favour of the Liberal candidate who professed adherence to what he called the "Laurier-Fielding tariff." The Prime Minister also made the same statement in the city of Brantford, which is, according to the hon. member for that city, the home of the agricultural implement industry. Other members have referred to that statement being made elsewhere.

Now, for two sessions of this parliament, although many minor changes were made, no changes of a sweeping character took place. **It is true that** the customs duties on many lines of agricultural implements were reduced 2½ per cent in 1922, but those changes were almost completely nullified by the changes made in the sales tax at that time. The sales tax was placed at 4½ per cent on Canadian manufactured goods, and 6 per cent on all goods imported, the difference of 1½ per cent just about making up the loss of protection by the reduction made in the tariff. That legislation remained in force until January 1st of this year when by the legislation of 1923 the sales tax was made operative at 6 per cent on all sales. So that within a few months the makers of agricultural implements face a varying reduction in customs duties of 2½ plus 4 per cent, and in some cases 12½ per cent, actually a reduction of from 6½ to 12½ per cent.

For the first two sessions there was some uncertainty as to the course the government proposed to follow. Then came the statement made in the budget speech last year by the finance minister guaranteeing, as everyone who heard or read it supposed, reasonable tariff stability. Surely that statement was made in all sincerity, and with the object of promoting confidence in the minds of business men as to the intention of the government? Time works changes, and the "personnel of the famous compass" has undergone some variation. The finance minister who guaranteed tariff stability, and the former Minister of Justice who was never uncertain in his utterances on the tariff question have given place to others. Adverse by-elections have deprived the government of its majority. The Prime Minister has appealed to the Progressive party for support, and one form of the appeal, is shown in the reduction of customs tariff on agricultural implements. How will the Prime Minister explain the utter repudiation of last year's tariff stability announcement by the right hon. gentleman who still retains the title of Minister of Finance? How will he explain the pronouncement of his own in 1921 in relation to legitimate industries making

legitimate profits? He will surely not say that the agricultural implement industry, the iron and steel industry, the paint industry, or the boot and shoe industry, are not legitimate forms of activity for Canadian business men. The business men and the workmen of Canada are entitled to an explanation concerning these things. It would appear that the only explanation is that in order to remain in power the Prime Minister has submitted to dictation by the Progressive party, and the Progressive group is now the dominant one in this House. Perhaps the members of the government will tell the House and the country whether or not they have surrendered to the Progressives, or are they starting to give effect to the 1919 declaration of policy. In either case, it seems, the result will be the same. We have the example of the Minister of the Interior (Mr. Stewart) rising in his place and saying that he "hoped the present tariff changes will mean the death knell of protection." We had the member for Dufferin (Mr. Wood) congratulating the government on the changes they had made, saying that the ship of state was proceeding in the right direction but they were looking for greater changes in the protective tariff. All the changes are to be downward according to the Whip of the Progressive party and none up. Then we have the hon. member for Pontiac (Mr. Cahill) who gloried in the fact that a real accomplishment had been recorded and that there was now a line of demarcation between the two old parties.

Business in Canada has been halting for some time. Last fall when the Dominion government loan of $200,000,000 and the Ontario government loan of $40,000,000 were floated, they were both over-subscribed. Newspapers commented on this as an indication that Canada had plenty of money to invest, and that business was sound and industries prosperous. In my judgment, that rush to secure government bonds was proof that business and industry were not in a healthy condition. It was proof that business and industry were not attractive enough to capital to compare with a government offer of a return of about 5½ per cent on the investment. Instead of investing our capital in developing our natural resources we are lending to ourselves at the expense of our industrial activities, a practice which, if persisted in and enlarged is not likely to make us more prosperous than taking in each other's washing. Only a short time ago it was announced in the press that the Ontario Minister of Mines will visit England shortly to try to induce investments from that quarter.

[Mr. White.]

Further proof of the decline in business is furnished by a perusal of the revenue resulting from income tax, which, for the eleven months preceding March 1 last, compared with a similar period in 1922, shows a loss of $5,296,000 odd, and business tax compared with the same period shows a loss of $7,438,000 odd, a loss of twelve and three-quarter millions on the two items of direct taxation which must accurately reflect the general condition of business. Of failures in manufacturing in Canada we had in 1920, 255; in 1921, 599; in 1922, 857; and in 1923, 792, I think it was.

In the city of London, which I have the honour to represent, we have many factories. The last government enumeration of Canadian industries credited us with nearly four hundred factories, with over 11,000 people employed therein. Our factories are nearly all working below capacity or on short hours. For example, one factory making farm machinery which a few years ago employed three hundred men now has but thirty on its pay roll; another, in the iron and steel industry employing over one thousand, is running short time and not averaging five days per week; another employing 150 men is working four days per week—and so it goes. The matter is considered of so serious a nature that our city council, on the 17th March last, passed a resolution which I should like to have recorded. The resolution is as follows:

> Whereas at the present time there are unsettled business and industrial conditions in Canada and an exodus of skilled mechanics and workmen to the United States, which is alarming in proportions;
>
> And whereas the United States has to-day an ultra-high protective tariff, while Canadian industry has in addition to face competition from countries with depreciated currency and lower standards of living;
>
> Be it resolved that this council regrets the intimation in the Speech from the Throne that the government intends to reduce further the duties on certain manufactured articles, and urges the government rather to take such steps as will protect and stabilize the industries of the Dominion so as to give permanent and assured employment to Canadians in Canada; and that the City Clerk be instructed to write to the Right Honourable Mackenzie King, Premier, to the Hon. Jas. A. Robb, Acting Minister of Finance, and the member for London, calling their attention to this resolution.
>
> S. BAKER,
> City Clerk.

I think there are many indications that capital has been timorous, afraid to venture, fearful of the risks incident to investment in industry, and that fear is accentuated to-day by the abandonment of the principle of tariff stability and the substitution of a policy of attrition, which the government is asking the House to sanction. While the provisions of the budget create a serious situation for many

workmen and many manufacturing companies, the most serious effect of these tariff changes will be, in my opinion, the effect on business generally.

Canadian people will remember that the Liberal platform, which is almost identical with that of the Progressive group, contains many provisions regarding the reduction of duties, the increase in British preference and a long list of articles to be placed on the free list. What incentive is there for new capital to go into business, or what incentive is there for a manufacturing concern already established to plan for an enlargement of buildings or plant or to make efforts to employ additional workmen when the prospect is that the axe will fall again next year, when the budget is delivered, in all probability with greater severity? The country knows that the Progressive group, encouraged by the comparatively small success of this year will likely be more insistent next year and demand a much larger and more comprehensive reduction of protective duties, and the country also knows that the government which gave way this year will likely acquiesce next year.

On Tuesday, April 14, the hon. member for Pontiac (Mr. Cahill) made the statement that he hoped the tariff on boots and shoes would be lowered, and in twelve hours a deputation of sixty or seventy men from his own province and Ontario representing the boot and shoe manufacturers and the workmen in that industry, appeared, asking for protection from the competition of English and German goods particularly. They asserted that Canada has factory capacity for 25,000,000 pairs of shoes per annum, while the Canadian market consumes about 15,000,000 pairs; also that English firms on account of lower wage costs and the depreciation of currency, more favourable freight rates and the increase in the British preference last year, had secured a large portion of Canadian business. Will the Prime Minister say that the boot and shoe industry is not a legitimate industry as far as Canada is concerned?

When that deputation presented its case it also called on two of its members who represented labour, to state the case for labour. These men represented both the Catholic Workers Union, and the International Shoe Workers Union. They appealed to the government for protection from foreign competition, so that the factories in which they are employed would be able to work at greater capacity and at full time. They had been assured by the minister from Prince Edward Island (Mr. Sinclair) in his speech in the House a day or two before that this is a wonderfully successful government. They had been assured that a great accomplishment had been recorded in the direction of economy. The Acting Minister of Finance (Mr. Robb) undertook to convince this deputation, which if they know anything at least know their own business, that the Canadian workers were not suffering more than ordinarily, and if I can judge by the expression on the faces of these men they were comparing the short time of the shoe factories with the statement of the minister without portfolio, who asserted that their taxes were to be reduced this year by the sum of $2.70 per man. Perhaps they were wondering what they would do with this $2.70, whether they would spend it all at once, or extend it over several celebrations during the year.

The Liberal party in the 1921 campaign expressed great concern for the welfare of the labouring man. They were quite in sympathy with the conventions of the League of Nations including the shorter working day; they were going to grant all these concessions to the working man, and they have been giving to them the shorter week with a vengeance!

The government is making no effort to check the exodus of Canadian workmen to the United States. We are told that 181,000 of these workmen left Canada last year. The Prime Minister made the assertion that he believed sixty per cent of these had returned. I have had a great deal to do with workmen, I know something of them in my own city, and if six per cent of them returned I think that would be about the extent of it. In fact I am very dubious about the six per cent. I have encountered very few men who have gone over to the States within the last two years and have returned. Those men are leaving the country because the work is being done in the United States and the manufactured goods are being imported into Canada. They left Canada because Canada did not provide them with the living they thought they were entitled to. They believed they could provide themselves with a better living by going to the United States. Some day they may come back when the conditions of industry are improved by wise legislation, but in the meantime our loss is the gain of the United States.

As to the effect of the changes in the customs duties on the manufacture of agricultural implements in Canada, I believe that only the manufacturers of implements can make a forecast. Taking into consideration the change in the sales tax which I referred

to previously, tariff protection has been reduced about 6½ to 12½ per cent on various items.

Some compensation has been extended to implement manufacturers, in that, pig iron, and bar iron and steel, for use in mowers, binders and reapers, instead of being subject to 99 per cent drawback of duty paid, as heretofore are now permitted free entry, and similar lines of goods used in the manufacture of cultivators, harrows, horse rakes, seed drills, manure spreaders and weeders, which were formerly subject to a duty of 21 cents per hundred pounds are now admitted free, and further, to use the minister's words, "other materials which enter into the cost of implements to be reduced will be entitled to entry at 7½ per cent under all tariffs." This last provision will affect a long list of materials; for example, iron castings, malleable iron, rivets and washers, bolts and nuts, pipe, steel sheets, leather, duck and canvas, paints, oils and varnish. These are perhaps the principal items, but the list is quite extensive. These provisions are all calculated to reduce the cost of manufacturing implements, but only those who are intimately acquainted with all the details of the business can tell with any degree of certainty what the effect will be. These men have made the assertion that the changes are a serious detriment to the industry, and will have the effect of still larger importations from the United States.

In my judgment, the iron and steel industry is called upon to make the greatest sacrifice. The protection for foundry and malleable iron works has been reduced considerably. The iron and steel rolling mills, if they are to secure a share of the trade created by the manufacture of implements, must make reductions in price which will mean that they have an average protection of, as one manufacturer estimates, less than 8 per cent, while the factories engaged in these trades are called upon to pay in duties on coal from 11 to 20 per cent; on fire brick 15 per cent; on machinery and repairs to machinery 25 to 27½ per cent. Sales tax is also collected on purchases of all supplies except fuel. While the tariff proposals relieve the agricultural implement maker of the sales tax and some other of his manufacturing cost, the government has not extended this principle to the industries which supply the raw material for the agricultural implements.

If one line of reasoning is correct for one line of business, then surely it is correct for another line which will be affected by the first movement. The changes proposed would indicate that there has been no comprehensive study of the needs of the country or of the effect of the changes on the operation of certain industries. The government it seems, at the behest of the Progressives, has reduced the already low duties on agricultural implements and raw materials entering therein, while other lines referred to in the platform of both Liberal and Progressive parties, which bear much higher duties, have not been disturbed.

The whole situation in relation to the iron and steel trade should be subject to an exhaustive survey and intelligent treatment, if this industry is to be retained in Canada. It should be a matter of the gravest concern to the government that, according to the monthly report of the trade of Canada, February, 1924; while in the first eleven months of 1921-22, under the item of iron and its products, Canada imported, mostly from the United States, goods to the value of $98,000,000, in the same period for 1923-24, we imported $156,500,000, or an increase of 60 per cent in two years.

I would direct the attention of the government to the sentiment of the seconder of the Address in reply to the Speech from the Throne, who said he "might also mention the iron deposits in the northern district from which I come which only await the just renewal of the Dominion government bounty to further contribute to the incalculable wealth of that district." I understand, too, that the province of Ontario has made an offer to the Dominion government to pay a bonus per ton on all Canadian ore mined and smelted, provided that this government will pay a like amount.

The Minister of the Interior (Mr. Stewart) speaking in the House on April 14 said:

> From the standpoint of strengthening our commercial position nothing would appear to be more desirable than to see the growth of mining enterprise, but the Dominion's present position in mineral commerce does not appear to do anything like full justice to her natural capacity.

While the duties on mining machinery are reduced 7½ per cent, the government has made no pronouncement in the budget on the question of promoting the mining and smelting of iron ore. The report of the sub-committee on iron ores of the Advisory Council for Scientific and Industrial Research was made available for members of the House a few weeks ago, and a close study of that report will indicate just about what this committee thinks is necessary to stimulate the iron ore industry in Canada. As far as I can recollect, no country which neglected the development of its iron and steel industry ever became great. We have in Canada a great opportunity

to conserve and develop this one of our basic industries, and if we neglect it, Canada will not have lived up to her opportunities. The iron and steel industries of this country, and their trained workmen, stood us in good stead when the Great War took us unawares, and if circumstances of defence force themselves upon us in the future, those industries, if in a healthy state of development, will serve the country well again. If the United States should become involved in a dispute with another country, if it should even become involved in war, that would have a very embarrasing effect in this country owing to our dependence on the United States for a large amount of the iron and steel supplies which we use.

It will appear that no advantage has been gained by the government in the reduction of tariff duties. We have not had any friendly advances from the United States in regard to matters of this kind. Shortly after the election of 1921, the Finance Minister (Mr. Fielding) made a pilgrimage to Washington, but he received no sympathy there. Shortly after that the Fordney tariff was imposed which levied very high duties on all imports which Canada might be willing and anxious to supply United States users with. A tariff of 30 cents per bushel was levied on wheat, and while this present budget was being considered, a further increase of 12 cents a bushel was imposed. The people of the United States, particularly the farmers, are unwilling that the produce of Canadian farms should find its way into the American market. Why should Canada lower her tariff duties in order that the product of American factories should find its way to Canadian users? This is particularly objectionable in view of the condition of the balance of trade. It has been stated tonight that about a quarter of a billion dollars per annum is the amount of the adverse balance against Canada. It is little wonder that the depreciation of our currency stands where it is to-day, and there is no doubt that if our purchases continue to grow, the adverse exchange will still be where it is or higher.

No mention has been made in the budget as to any change in the income tax. The United States Senate has now before it the consideration of a substantial reduction in their income tax. If Canada retains the present tax and the United States reduce theirs, that will be a further reason why Canadians and their capital should drift to the United States. As to the saving which the government estimates it will make to Canadians in connection with the tariff changes, it has been stated by the minister without portfolio (Mr. Sinclair) that $750,000 is the amount estimated saved. It has been stated by the Minister of the Interior (Mr. Stewart) that 5,500,000 people are to participate in the benefits accruing from the reduction in duties. If either hon. gentleman will just use his pencil a little, he will find that that $750,000 divided amongst 5,500,000 people will amount to fourteen cents per capita for the ensuing year. What increase in trade or in industrial activity will result from that saving of fourteen cents a head remains to be seen.

I believe the budget is a disappointment to the people of Canada. I believe the government has not legislated in the interests of the whole of Canada. I deplore the fact that our markets are being left open to the inroads of American goods while American markets are closed to Canadian goods.

Mr. FONTAINE: Mr. Speaker, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. GRAHAM moved the adjournment of the House.

Mr. BOYS: What is the business for tomorrow—continuing the budget debate, I suppose?

Mr. GRAHAM: The budget debate seems to lag a little. I do not mean in quality, I mean in numbers. We will proceed with the budget debate to-morrow, and should anything intervene by which it comes to an end or to a suspension, we shall go on with the resolutions on the branch lines.

Motion agreed to and the House adjourned at 10 p.m.

SUPPLEMENT

(See Resolution of the House, p. 1434)

THE LAW MEMORIAL

[Amongst those who perished in the destruction of the parliament buildings by fire on the night of Thursday, February 3, 1916, was Bowman Brown Law, representative of the county of Yarmouth, Nova Scotia. The tragic death of Mr. Law called forth expressions of sympathy and high esteem, and as time went on and the new parliament buildings neared

completion the feeling developed that his memory and the occasion of his death should be perpetuated by the erection of a monument on the ground which gives sepulture to his mortal remains. This sentiment took definite form when parliament, during the session of 1920, made provision for setting up a memorial tablet in the lobby of the House of Commons.

The ceremony of unveiling the tablet took place to-day, under impressive circumstances, on the occasion of the reassembling of the House of Commons after the Easter vacation, and was attended by a large company representative not only of the two Houses of Parliament but of the public in general. The chair was occupied by the Honourable Rodolphe Lemieux, Speaker of the House of Commons, and the tablet was formally unveiled by the Right Hon. W. L. Mackenzie King, Prime Minister.]

The CHAIRMAN: Gentlemen, the session which opened on the 12th January 1916, will ever be a memorable one for the parliamentarians of that year. The great world war was raging. The hopes entertained after the battle of the Marne for an early collapse of the enemy forces had been shattered. Though the Allies had won notable victories—in which the sons of Canada had by sacrifice of blood and of life performed deeds of which the glory shall never fade away—yet the march towards the Rhine was checked in that they had failed to pierce the German lines. On the eastern front, our disappointments had been still greater. The only bright spot at the horizon was the effective watch and patrol of the British Navy which left the German fleet impotent and imprisoned in its own waters. Sad as the immediate prospects were, the spirit of the Canadian people remained undaunted. And their representatives in parliament, undismayed by the ghastly welter of blood and fire, resolved to stand by the gallant soldiers who at Ypres, Festubert and Givenchy, had fought and died for a noble cause and to carry on until final victory.

Whilst under the shadow of those stirring events, when the House of Commons was engaged in the all absorbing task of securing more men and assessing more resources to prosecute the war, a sudden and appalling disaster happened here on the hill. On the 3rd of February at nine o'clock in the evening, during the course of one of those week end debates with which we are so familiar, the parliament buildings were destroyed by fire.

[Mr. Mackenzie King.]

It was a noble edifice; indeed, it was a landmark. There, half a century before, as a result of the Quebec Conference had gathered the leaders who after merging their interests in common had launched the newly born union. There, had been sealed the pact of confederation. As we gazed at the next sunrise at the mass of black ruins, projecting its distress upon the wide fields of snow, as we looked in vain for the stately tower which crowned the beautiful structure, the quaint gables, the gothic arches and the stained glass windows around which clung so many memories, there was a deep feeling of sorrow. But these, after all, were only material things.

Far more deplorable was the loss of life—and we are assembled here to-day, eight years after that calamitous event, at the gates of a new parliament to officially record the profound affection in which one of the victims, Bowman Brown Law, member for the constituency of Yarmouth, was held by us all, his fellow members.

For many years, it was my privilege to sit in the House of Commons with him. Quiet and unassuming in his bearing, gentle in his manners, he was none the less a very industrious member, attentive to his duties and well informed. Scarcely an hour had elasped on that fateful evening, when his voice had been raised on behalf of his electors. As usual, he had spoken in all earnestness, on a question of primary importance to Nova Scotia, a province renowned for the inborn ability and common sense of its people.

A God-fearing gentleman, a true Canadian, a devoted and loving husband and father, a faithful and trusted servant of the people, such was Bowman Brown Law.

This tablet will recall to his family and his constituency that, at this very spot, where he so tragically entered in the valley of the shadow, his memory survives;—the sweet memory of one whom we know through his life training, faced bravely the awful ordeal, which he accepted in a Christian spirit, as only a preface to that reward in the realm beyond, where the soul is greeted by a merciful Maker in the white radiance of eternity.

I will now ask the right hon. Prime Minister to say a few words and proceed to the unveiling of the memorial tablet.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Upon the re-assembling of parliament, at the commencement of the present session, there was unveiled the first monument to be placed in our reconstructed buildings. It was appropriate that it should

be to the memory of an honourable member of the House of Commons who lost his life on the field of battle in the service of his king and country overseas. To-day as we re-assemble, after a brief Easter vacation, we are about to unveil a memorial tablet to the memory of another honourable member of the Commons who lost his life under circumstances which also were alike tragic and historic.

The late Bowman Brown Law was first returned to the House of Commons as the member for Yarmouth, Nova Scotia, at a by-election in December 1902, which by-election was occasioned by a vacancy caused by the appointment of the late Mr. T. B. Flint as Clerk of the House. Mr. Law was re-elected at the General Elections of 1904, 1908 and 1911. In the great fire which on February 3, 1916, destroyed the old parliament buildings, he was burned to death. Seven lives in all were lost in that fire, and it is something of a sad coincidence that among the number should have been that of the Clerk Assistant of the House, the late Mr. J. K. Laplante.

Members who enjoyed the privilege of serving in parliament during the years I have mentioned, will recall Mr. Law as a man possessed of singularly fine qualities, alike of heart and mind. He was of a quiet and retiring disposition, affable and companionable, and most punctilious and conscientious in the discharge of his public duties. He was in his seat in the Commons chamber when the alarm of the fire was given, and it is believed that it was in the effort to save from destruction papers in his possession that he took a risk which proved to be fatal.

The memorial tablet which I have now the honour to unveil records the essential facts in the fewest possible words:

ERECTED TO THE
MEMORY
OF
BOWMAN BROWN LAW, M.P.
REPRESENTATIVE OF THE
COUNTY OF YARMOUTH, N.S.
WHO MET HIS DEATH IN
THE GREAT FIRE
WHICH DESTROYED THE
PARLIAMENT BUILDINGS,
3rd FEBRUARY, 1916.
REQUIESCAT IN PACE.

The sculptor has succeeded in executing in bronze relief a remarkably good likeness of the late Mr. Law. To the left, near the top, he has reproduced the coat of arms of the United States, commemorative of the circumstance that Mr. Law was born in the state of Massachusetts; to the right the coat of arms of the province of Nova Scotia, the province with which his public career was so closely identified; and over all, the arms of Canada, the country he served so well.

It is fitting that we should thus preserve and seek to honour the memory of one of our number whose life and whose death were so closely identified with our parliament. The circumstances of Mr. Law's death permitted no place of burial to his mortal remains. They knew no sepulchre save the ruins of the demolished walls within which he met his fate. His ashes mingle with the ashes of the edifice in which for over thirteen years he represented faithfully and well the interests of his constituency and the people of this land. Of him, too, it may truly be said that he died in the service of king and country. In association with his name and memory this, our Westminster, will be not less the Abbey, than the Houses of Parliament.

By fire and the sword, such was the manner of death of those of our number whose memories we have sought to preserve. These mute memorials are imperfect symbols at best. Surrounded as we are by the material evidences of the spirit of resurrection which these reconstructed buildings afford, it may be not without consolation to those who have been bereaved to recall the association which this tablet, placed as it is, will ever bear to the Easter season. To them and to us let it speak of the unfinished tasks of those who are gone, not as of a work that is ended, but as of a greater work begun.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, Mr. Prime Minister, ladies and gentlemen: The inclusion of my name in the ceremony of this afternoon testifies chiefly to the fact that this event has no significance narrower than the whole bounds of parliament and of Canada. No words of mine could possibly add to the expressions of profound regard which fell in such beautiful diction from the lips of Mr. Speaker this afternoon, nor to the fine eulogy uttered by the Prime Minister.

My personal association with Mr. Law was of limited kind. He had entered parliament many years before myself, and had not come in that close contact with me which I would have desired. But looking back to the sad hour that we commemorate now I well recall the tragic night—how, after only one hour of deliberation in the evening, the flames were discovered spreading with almost uncanny rapidity, how the mellow hue of the sky was reddened to angry flame, and this splendid edifice destroyed.

You spoke, Mr. Speaker, of the times, heavy and poignant, through which we were passing then. These need sometimes to be recalled. Nevertheless there was something of a lull at the front, at the very time of this fire. During the winter months, a silencing in some degree of the uproar of conflict had fallen, only, of course, to be resumed in all its horror and slaughter when summer weather came. Likewise on the 3rd February, 1916 a peaceful frosty nightfall, as tranquil an evening as we had ever known, was converted into a night of disaster and death.

We had hoped that the former magnificent parliament buildings, would have remained with us as a tribute to the courage and the vision of our forefathers, a courage and a vision greater than we can very well now encompass. The Canada of that day was weak and scattered compared with the nation as we know it now. We had all hoped that those wonderful buildings would have remained as a legacy to our children, an historic legacy joining the old colonial days with the later days which have witnessed the fruition of this Dominion. This we were denied. The awful disaster of February 3rd lost to us the greatest single material possession of which Canada could boast. But appalling as our loss of that nature was, we lament infinitely more bitterly and lastingly the loss of life. Seven persons, as the Prime Minister has said, were imprisoned in the burning building and died. Three of them were servants of the House. Two were lady visitors of the then Speaker. Another victim was one of our most trusted, one of our most competent officers, Mr. Laplante, the then Clerk Assistant. It is in honour of the seventh that we unveil this tablet to-day and in my judgment properly so. Mr. Law was one of our number and naturally, we feel toward his memory an affection nearer and deeper than that which attaches to others. Fitting it is that with respect to him, as to any hon. member who may die in similar tragic manner in the service of his country, the present noble building should contain a memorial—a memorial that will carry down his memory to the latest generations. He and those others have taken their places in the Golden Chamber but they have left to us the memory of creditable lives, the inspiration of splendid examples. Nothing better can be said of Mr. Law, or indeed of any man than that he died as he had lived, a British gentleman at his post of duty.

Mr. ROBERT FORKE (Brandon): Mr. Chairman. In common with those who are associated with me on this platform, I am not in a position to say anything that would adequately portray the feelings of those whom I represent in reference to the purpose for which we have met here this afternoon.

However, as has been pointed out, in 1916 an incident occurred which might be described as a national calamity, the destruction of the parliament buildings. I can very well remember the occasion when, a few years previous to that time, I had the privilege of visiting the chamber and looking over the seats of the various members of the House. The parliament buildings seemed to me then to symbolize the spirit of nationhood, and the burning of that great structure could only be termed a national calamity. But we had an opportunity to repair our loss; the material loss could be overcome, and now a new building has been erected, which is magnificent in every aspect. While we regret the fact that the buildings were destroyed we can now look back to the event with equanimity, as the building could be replaced and its destruction perhaps in time almost forgotten. But the loss of life is an entirely different matter. We have lost something that can never be restored to us, and we are met this afternoon to unveil a tablet to the memory of one of the members of the House of Commons, who lost his life in that tragic disaster.

I had not the privilege of being acquainted with Mr. Law but we know he was a man in the full vigour of manhood, who could have looked forward to many years of usefulness and service to his country had it not been that in one tragic moment his life was cut short and he was taken away to be amongst us no more.

We look upon death perhaps as one of the greatest calamities that can come to human beings; but there are some things which are sadder than death. When we lose one whom we can respect and admire, whom we can truly love, we have something left, a memory that we can cherish, which may become one of the most sacred things in our lives. This gentleman was lost to the country and to this House, but through all time we can cherish the memory of one who served his country well, who lived a noble life, and who was in every respect a gentleman whom we could respect and admire.

I am very happy to have the privilege of taking part in this ceremony and paying my respects to the memory of one who died in the service of his country.

Hon. E. M. MACDONALD (Pictou) (Minister of National Defence): Mr. Chairman, I had the great pleasure and distinction of having served in this House of Commons for a period of eleven years in conjunction with our friend, Mr. Law, whose memory we are

commemorating to-day, and of having served for a period of seven years with his father who represented the same constituency in the provincial legislature of Nova Scotia. Mr. Law was my personal friend, and we were associated very closely, coming to this House almost at the same period. Those of us who come from our province, who had the opportunity of knowing Mr. Bowman Law perhaps in a closer way than our confreres from other parts of Canada, know what a typical Nova Scotian he was in many ways. He was a most successful business man, and having inherited from his father a prosperous business organization, he dealt with that in a way which indicated his great ability along those lines. He received the confidence of the people amongst whom he lived as a young man, and in every election when he came to them and asked for a renewal of their confidence, he received it in a greater degree than previously.

I always recall, with horror, the events of that night, February 3. I happened to be in the House at the time, and I well remember the circumstances. Almost in the twinkling of an eye the chamber was surrounded by flames. I personally succeeded in getting to my room and securing some papers, and as I was going to my room, I met Bowman Law coming from his. He apparently had endeavoured, when he reached the ground floor, to go to his locker where his coat, hat and other things were, and nobody ever saw him again. We did not know even that he was dead for two days. It was not until Saturday afternoon that somebody began to inquire where Mr. Law was, and then we realized that this quiet gentleman, who went about his affairs so unostentatiously, was a victim of the fire.

I had an opportunity in conjunction with my colleagues from the province of Nova Scotia of saying a few words about him at a meeting of the House of Commons which took place in the Victoria Museum on the following Monday. A singular circumstance which I recall in connection with that fact was that on that day the then Prime Minister, Sir Robert Borden, and Sir Wilfrid Laurier both in most eloquent speeches spoke to a resolution of appreciation of the services of Sir Charles Tupper who was a typical Nova Scotian and one of the great men of the Dominion of Canada. Bowman Law's name was referred to by his colleagues at that time.

Those of us who knew him have wonderful memories of him. He was a sincere and straightforward advocate of the rights of his province and of the Dominion. He was a devoted party man; he was sincerely devoted to the party with which he had so long been associated. He was successful in business to a degree greater than is the lot of most men. During his parliamentary career he gave of his best on behalf of his constituents and province. He was a man of charming disposition, a splendid friend, and those of us who were associated with him will ever have kindly memories of him.

I am sure this tablet which the Prime Minister has to-day unveiled will be a mark for all time to come of him who passed away in that holocaust of February 3, a man who did his duty to his country, who was loyal to his friends, who was a devoted parent and whose memory will ever be cherished, not only by those of us who come from the same province, but those who come from other parts of Canada as well.

Mr. P. L. HATFIELD (Yarmouth and Clare): Mr. Speaker, ladies and gentlemen, having the honour to represent in the House of Commons the constituency which the late Mr. Bowman B. Law represented at the time of his death, I think perhaps it is fitting that I should offer a few remarks at this ceremony. I thank you, Mr. Speaker, for having afforded me the opportunity of doing so. I am sure the occasion which brings us together this afternoon must be one unique in the memory of the oldest parliamentarian here. I believe the records of the Canadian parliament will reveal no other instance in which a member of the House of Commons met death under circumstances so tragic and sad as those that surrounded the death of the late Mr. Law. As has been so well explained by you, Mr. Speaker, the late Mr. Law represented in the House of Commons the constituency which at the time of his death was known as Yarmouth; and I am sure that no member of parliament ever enjoyed the confidence and respect and—may I not add—the affection of the electorate throughout the entire length and breadth of his constituency, to a greater degree than did Mr. Law. Judging from the many eulogies I have heard of him since coming here, from his old colleagues and those who were attached to the government service, who knew him, I am sure that the same happy, genial, unselfish disposition which characterised his private life among his constituents must also have been characteristic of his official life here in Ottawa.

As I turn now more directly to the ceremony which is being conducted this afternoon, I must confess that I find it diffi-

cult to command language adequately and properly to express my feelings. Assembled as we are on the very spot where that terrible tragedy was enacted, and under the influence of the solemn act of unveiling this memorial tablet which has been erected to Mr. Law's memory, what has been said, and the manner of the saying of it, make it difficult indeed for one to control one's emotions. Mr. Law and I were very close personal friends; and what I have witnessed here and heard this afternoon makes me feel, at least in a large measure, the same sense of loss and shock which we all experienced when we first heard the news of the terrible accident that caused the loss of our friend. My thought turns to the late widow of Mr. Law, who survived her husband for so comparatively short a time. She mourned her loss intensely, and without doubt it was the primary cause of her decease so soon after that of him whom she loved so dearly. She bore her trouble with great patience and fortitude; but to those who were nearest her it soon became evident that the blow had proven too heavy and that she would soon be released from her sufferings here to join him who for so long had been her partner and companion in life. I also think of the daughter who is unavoidably deprived of the opportunity of being present, and for whom I am commissioned to speak. It shall be my duty to portray to her, as faithfully as I can, the esteem and affection in which her departed father was held here by all who knew him; and how his memory is honoured. I am sure that the kindly, gracious words which have been spoken to-day, so tenderly and sincerely, by you, Mr. Speaker, and by the other gentlemen who have followed you, will prove a comfort indeed to her, and if possible will render the memory of him whom she loved so dearly even more sacred and sweet than the memory she has cherished of him in the past. On her behalf I desire to thank you, Sir, and through you the senators and the members of the House of Commons, for this very worthy act which marks so well the passing of one who was loved by all, who represented so faithfully the constituency of Yarmouth and who endeared himself so peculiarly to all who knew him. With your permission, Mr. Speaker, I will read one or two telegrams which I have received on the subject of this afternoon's ceremony, and which it seems appropriate I should read:

[Mr. Hatfield.]

Yarmouth, N.S.

P. L. Hatfield, Esq.,
House of Commons,
Ottawa.

The members of the Liberal Association of the constituency of Yarmouth and Clare desire to express to the senators and members of the House of Commons their grateful appreciation for the splendid tribute to their late representative, Bowman Brown Law, in erecting a tablet to his memory in the lobby of the House of Commons. Mr. Law at the time he met his death in the great fire which destroyed the parliament building had long represented our constituency in the House of Commons and was our trusted friend and colleague. Meeting his death while in the performance of his public duties with many years of service ahead of him the memorial service which you are holding to-day strikes a very responsive chord in all our hearts and we look upon it as a splendid tribute to his family as well as to the memory of a true man and faithful public servant.

A. P. Stoneman,
President.

Donald Cann,
Secretary.

Yarmouth and Clare Liberal Association.

Yarmouth, N.S.

P. L. Hatfield, Esq., M.P.,
House of Commons,
Ottawa.

The Conservative Association of the county of Yarmouth joins with great pleasure the senators and members of the House of Commons in the ceremony which takes place to-day when a memorial tablet is to be unveiled to the memory of the late Bowman Brown Law who at the time he met his death in the great fire which destroyed the parliament building was the representative in the House of Commons for the constituency of Yarmouth. Mr. Law was respected and loved by the citizens of our county and this tribute to his memory touches all our hearts and is a generous action on the part of the state to a faithful public servant.

W. L. Rogers,
President.

Edgar Clements,
Secretary.

Halifax, N.S., April 24, 1924.

P. L. Hatfield, M.P.,
Ottawa.

Very pleased with tribute of respect you are paying to the memory of the late B. B. Law. As a warm personal friend and admirer let me in spirit join you in paying tribute to his memory and to his many personal and manly qualities. It will be warmly appreciated by his numerous friends in Yarmouth county who will never forget a true friend and his sacrifice in their interests.

E. H. Armstrong.

Mr. SPEAKER: This, ladies and gentlemen, concludes the proceedings, and on behalf of the House of Commons and of senators and members of the Bowman Brown Law Memorial I wish to thank you all for your presence here this afternoon.

Friday, April 25, 1924

The House met at three o'clock.

PRIVATE BILLS COMMITTEE

Mr. H. B. McGIVERIN (Ottawa) presented the first report of the select standing committee on Miscellaneous Private Bills, as follows:

Your committee have considered Bill No. 14, an Act to incorporate the Roman Catholic Episcopal Corporation of Prince Rupert, and have agreed to report the same with amendments.

Your committee have amended the preamble of Bill No. 14 for the purpose of more accurately describing the position of the petitioner. In accordance with the usual proceedings your committee beg to recommend that the charges levied under such bill be refunded, less cost of printing and translation.

Your committee also recommend that it be given leave to sit while the House is in session.

All of which is respectfully submitted.

Mr. McGIVERIN moved:

That in accordance with the recommendation contained in the first report of the select standing committee on Miscellaneous Private Bills, the fee and charges levied on Bill No. 14, an Act to incorporate the Roman Catholic Episcopal Corporation of Prince Rupert, be refunded, less the cost of printing and translation.

Motion agreed to.

Mr. McGIVERIN moved:

That in accordance with the recommendation contained in the first report of the select standing committee on Miscellaneous Private Bills, the committee be given leave to sit while the House is in session.

Motion agreed to.

UNITED CHURCH OF CANADA

Mr. CLEMENT ROBITAILLE (Maisonneuve): I desire to present a petition signed by Rev. John J. McCaskill and several members of the Maisonneuve Presbyterian church protesting against the form of legislation asked for in the Church Union bill.

Mr. ROBERT FORKE (Brandon): I desire to present the following petitions:

Of Rev. W. T. G. Brown and 376 others of the Dominion Methodist church, Ottawa, praying for the incorporation of the United Church of Canada.

Of Harold Hunter and 57 others of the Methodist church Milbrook, Ontario, praying for the incorporation of the United Church of Canada.

Of Mrs. John E. Parker and 112 others of Unity church near Caledonia, Ontario, and Methodist church, Caledonia, praying for the incorporation of the United Church of Canada.

Of Arthur J. Stevenson and 28 others of the Methodist church, Norwich district, Cathcart, Harley and New Durham, praying for the incorporation of the United Church of Canada.

Of T. H. Turner and 150 others of the Methodist church of Oakwood, Ontario, praying for the incorporation of the United Church of Canada.

Of J. H. Young and 56 others of the Methodist church, Oban, Epworth and Camlachie, Ontario, praying for the incorporation of the United Church of Canada.

Of A. J. Savage and 138 others of the Methodist church, Richmond Hill and Victoria Square, Ontario, praying for the incorporation of the United Church of Canada.

Of W. J. Fiddes and 65 others of the Methodist church, Binbrook and Elfrida, Ontario, praying for the incorporation of the United Church of Canada.

Of Rev. R. D. Hamilton and 36 others of the Methodist church, Burlington, praying for the incorporation of the United Church of Canada.

Of Lilly Start and 39 others of the Methodist church, Currie's Crossing, Oxford County, Ontario, praying for the incorporation of the United Church of Canada.

Of W. F. Price and 356 others of the Centennial Methodist church, Toronto, praying for the incorporation of the United Church of Canada.

Of Hector Sutherland and 27 others of the Congregational church, Embro, Ontario, praying for the incorporation of the United Church of Canada.

Of A. Webster and fourteen others of the Grace Methodist church, London, praying for the incorporation of the United Church of Canada.

Of C. J. Wilson and fifty-one others of the Methodist church, Winona and Fruitland, Wentworth County, Ontario, praying for the incorporation of the United Church of Canada.

Of Henry Mills and seventy-five others of the Springfield and Bethel Methodist church, Appin, Ontario, praying for the incorporation of the United Church of Canada.

Of Gertrude Davis and ninety-three others of the Westmoreland Methodist church, Toronto, Ontario, praying for the incorporation of the United Church of Canada.

Of G. C. Balfour and 171 others of the Beech Avenue Methodist church, Toronto, Ontario, praying for the incorporation of the United Church of Canada.

Of Mrs. J. Coburn and 271 others of the Howard Park Methodist church, Toronto, Ontario, praying for the incorporation of the United Church of Canada.

Of Alex Kennedy and 494 others of the High Park Avenue Methodist church, Toronto, praying for the incorporation of the United Church of Canada.

Of James H. Dyer, 62 Dorval Road, Toronto, Ontario, and 122 others praying for the incorporation of the United Church of Canada.

Mr. T. H. McCONICA (Battleford): I desire to present the petition of C. F. Carson and twenty-eight others of the United Church, Unity, Saskatchewan, praying for the passage of the Church Union bill.

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): I desire to present a petition from members and adherents of the Presbyterian church of St. George, N.B.; also a petition from members and adherents of St. Paul's church, Woodstock, N.B., both against the passage of the Church Union bill.

Mr. R. B. HANSON (York-Sunbury): I desire to present a petition from James G. Thorburn and thirty-nine others, members and adherents of the Presbyterian church, Stanley, N.B., against the proposed Church Union.

AGRICULTURAL CREDIT

DR. H. M. TORY'S REPORT

Hon. J. A. ROBB (Acting Minister of Finance): I desire to move that 1,000 copies in the English language and 400 copies in the French language of the report of Dr. H. M. Tory on Agricultural Credit, laid on the Table of the House on the 15th inst., be printed forthwith and that rule 74 be suspended in relation thereto.

Mr. SPEAKER: Before putting the question, I am informed that these copies of the report on Agricultural Credit are being printed.

Mr. ROBB: That is true. I understand they are being printed to expedite business, but the copies cannot be released until we have an order of the House.

Mr. SPEAKER: I am informed that if this motion is put to the House and carried, the House will have to pay for the printing. Is it the wish of the House that the printing be paid for by the House, by the committee, or by the Department of Agriculture?

Mr. ROBB: You have sized it up correctly, Mr. Speaker.

Motion agreed to.

INCOME TAX ON HOME BANK DEPOSITS

On the Orders of the Day:

Mr. JOHN MILLAR (Qu'Appelle): I should like to ask the Acting Minister of Finance if that portion of one's income lost on deposit in the Home Bank is taxable for income tax purposes?

Hon. J. A. ROBB (Acting Minister of Finance): Speaking offhand, I should say that the losses through the Home Bank would not be regarded differently from the losses through any other financial or business transaction.

THE BUDGET

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

The House resumed from Thursday, April 24th, the debate on 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 Mr. Woodsworth.

Mr. FONTAINE (Hull) (Translation): On rising, Mr. Speaker, to take part in the discussion on the budget, I wish to state that I broach the subject entirely devoid of any party feeling; the circumstances are too grave, the conditions of the country are too serious to mix up with politics; I, therefore, think it is the duty of all members of this House to frankly and freely express their opinion.

First, let me congratulate the government on behalf of the electors that I have the honour to represent here for having taken off the duty on a great number of items, among others on farming implements, and, for having found it possible to reduce the taxes. I was under the impression that such an announcement would cause joy throughout the country. I was further under the impression that the Conservatives could hardly criticize this measure, but I had not taken into account their inconsistency. Indeed, Sir, I recall that, during the session of 1922, the hon. member for West York (Sir Henry Drayton) moved an amendment to the budget, seconded by the right hon. leader of the opposition (Mr. Meighen), reproaching the government for not keeping their pledges: "The Liberal party"—they state—"at their great convention, in 1919, had promised should they be returned to power, to remove the duty on farming implements and they are not doing so, they are not fulfilling their pledges; therefore, they do not deserve the confidence of the people." To-day, after a lapse of hardly two years, these same gentlemen taunt the government for living up to their promises by removing the duty on farming implements. Is it possible to be so devoid of sincerity? Can one imagine anything more inconsistent? I do not think so. Let the government take no notice of their critics, let them follow up,

without fear, this national policy that they have just inaugaurated; it is more than time to have this conflict existing between the East and West cease; the time is ripe to put an end to that class politics which has existed throughout the country for some years past by rendering justice to all classes of society. If we want this country to expand, confederation to continue, we must adopt a policy favouring not only capitalists and large interests, but also encouraging the farmers and labourers.

We are passing through a serious crisis. Now that the Americans have raised their tariff, our farmers can no longer export their products to the United States, the European markets are unimportant and there but remains the local markets. Consequently, the farmers are forced to sell at a sacrifice, their hay, wheat, beef, butter, cheese and all the other products of the farm. Is it not, therefore, reasonable that they should be able to purchase at low prices their farm implements, they who toil so hard and often under very unfavourable conditions, and whose labours have only served, up to now, to enrich manufacturers who benefit from a protection of 35 and even 40 per cent on some farm implements. It is more than time that this state of affairs should cease. Agriculture is, among all industries, the first which should be protected. Our population is made up of 45 per cent of farmers. I well remember that after the Great War when everything was topsy-turvy here as well as in Europe, all our hopes were concentrated on the soil.

"Back to the soil" was our motto. If this be true, the government's policy is quite right in helping the farming class. There is, Sir, another point of view which we must not lose sight of; it is that the lowering of duty will bring down the cost of living. In fact, when the farmer will be in a position to produce cheaper, he will sell his products at a lower price and the labourer will benefit by it.

I now come to the decrease in taxation. Here, again, our opponents are greatly disappointed. They had dragged the country so much into debt; they had pledged its credit to such an extent, for a number of years to come! No one, I am sure, has forgotten that precious contract which was awarded for the building of ships—for our merchant marine—which have never been of any service and will never be. It was an egregious blunder which cost the country millions of dollars. They had so much encumbered us with the state ownership of railways, that they felt certain that the present government would never find it possible to balance the budget and lower the taxes. Filled with this hope, the right hon. leader of the opposition (Mr. Meighen), with the concurrence of the whole Tory press, started, throughout the country, a campaign of falsehoods, misrepresentations and "whisper of death" spreading everywhere that the King government was incompetent, that Canada was on the brink of bankruptcy, that the national debt was on the increase and that the people could no further bear up with the taxes. And now comes the budget speech which completely reduces to nothing the whole of this dishonourable display and campaign by proclaiming that, thanks to a strict economy, the government has succeeded in lowering the taxes and balancing the budget.

The leader of the opposition was not very prone to remind the people, during the campaign, throughout our provinces, that it was himself and his predecessor, Sir Robert Borden, who, owing to their imperialist policy and their blind participation in the war, had increased the national debt by two billions and a half of dollars and thereby increased the debt per capita from $47 to $269. The leader of the opposition omitted mentioning, during this campaign, that he was disposed to ruin the country if necessary. His words "to sacrifice the last man and the last dollar to save the Empire" still tingle in our ears. If, while he was imposing blood conscription he had demanded conscription of wealth as Sir Wilfred Laurier suggested; if he had allowed to the manufacturers, who were realizing scandalous profits, but 20 per cent of their profits for administration purposes and if he had obliged them to remit the balance to the treasury, we would now not have to feel the effects of war debts and would thereby have less millionaires in this country; however this would not have suited his political friends.

Now, Sir, ever since the outset of the debate on the budget, the Conservatives have not ceased reproaching the government for having lowered the tariff. Is it an actual fact that this policy of high protection, so much extolled by the right hon. leader of the opposition, is the universal remedy for all our ailments? Is it an actual fact that protection makes for the prosperity of the country and the happiness of the working class? Then, how do we explain, notwithstanding the present tariff, that times are so hard, everybody is complaining, our industries are at a standstill and our people are without work? Is it not rather due to an unfair policy which affords the opportunity to a class of manufacturers of enriching themselves at the expense of the consumers? Is it not a fact that, within a few years, most

of them have become wealthy and that the workman who co-operated in building their fortunes, remains poor? Go through, Sir, the streets of Hull, a city essentially of workmen, ask the passer by if he is wealthy, if he is content with his fate! Most of them will answer that they are poor and without work. How can you explain that, notwithstanding protection, the manufacturers close the doors of their factories? Might it not be, perchance, a pretext to starve the workmen, to reduce their wages or force them to work a greater number of hours per day? If such was the case, it would be simply degrading. I look upon protection as absolutely bad, it furnishes but the appearance of wealth and considerably increases the cost of living. An astonishing feature of the right hon. leader of the opposition, is the sudden love which he has manifested, and which seems to fill his heart, for the province of Quebec. Indeed, Sir, we were witnesses during last autumn of his touring our province, we heard him express his love, stating everywhere that we had misunderstood him; that it was owing to his love for the French Canadians that he had forced conscription upon the country and that it was still owing to the love which he had for our province that he forced upon us the Election Act during the war, a despicable law which had for its aim to isolate Quebec from the other parts of the Dominion; that it was owing to the love he bore to our religion that he had voted in favour of the regulation which obliged the civil employees to work on church holidays. He called at all the presbyteries, he visited all our educational institutions—to the great horror of his friend, the hon. member for West Toronto (Mr. Hocken)—awarding here and there medals. All this would be very praiseworthy if it were only sincere, however, one can only despise such means, when the aim of such a campaign is to capture votes.

Jointly, with Le Droit, an Ottawa newspaper, I want to tell the right hon. leader of the opposition that he would be doing more for education and it would be highly appreciated in our province if he would, together with his friend, Mr. Ferguson, Premier of Ontario, withdraw regulation 17, and allow the French Canadian child in Ontario, the right of learning the French language at school; then, but only then, we might believe in his sincerity. With your kind permission, Mr. Speaker, I shall quote to the House an article of Le Droit which appeared on the 16th of January last:

[Mr. Fontaine.]

Mr. Meighen would save much time and words and secure for his party a precious political asset which his opponents could not rob, if, instead of criticizing the government's actions and trying to shove down the people of Quebec's throat his conscription act and his policy of public ownership, he simply remembered that they were conservatives, members of the political party whose leader he is, that have enacted regulation XVII and are enforcing it. Let him be without illusion! So long as the Ontario school question is not settled to the satisfaction of the French minority, rightly will the Conservative party be looked upon, in the province of Quebec, as a group of fanatics, haters of everything that is French, oppressors, and the French Canadian lovers of justice and freedom, will not place in him their trust. If he sincerely wishes the union of the two races and a perfect understanding between Ontario and Quebec, if he wishes to rest on firm grounds his future and his political success, he will leave no stone unturned so as to wipe out an obnoxious school regulation, both from the standpoint of racial feeling and sound pedagogy, unworthy of a civilized country.

Thus, he may, perhaps, make the population of Quebec forget that the man who, to-day, wishes to please by delivering French speeches, singing with his partisans "Alouette" and awarding medals to the pupils of convents, is the same one who, at the opening of the war, wanted to put the country into bankruptcy to help England, and who also, during the year 1917, arranged for the purchase of the Canadian Northern Railway, imposed upon us the Conscription Act and allowed the province of Quebec and the French Canadians to be insulted by a mercenary press of the Unionist party. It is the same Mr. Meighen, who, in September 1922, was ready to plunge Canada into the Anglo-Turkish turmoil.

Now, Sir, I wish to make a few remarks on the question of immigration. I am well aware that it is a difficult problem to solve; I know that we have vast territories, sufficient to feed a hundred million people; I am aware that we possess natural resources which only await hands to develop them; I well understand that we have an enormous debt distributed among eight million inhabitants only. However, as I stated last year, I question, notwithstanding all this, whether the occasion lends itself to spending large sums in order to bring immigrants from Europe when our sons are emigrating to the United States by hundreds. I, therefore, beg of the government not to spend any further money towards immigration, but to make use rather of this money to start an active campaign throughout the whole country in favour of colonization and agriculture; the time is ripe since we have just lowered the tariff to help the farmers; let the government grant lands to those who cannot earn a living in cities, let them settle the Abitibi district, Northern Ontario or even the West, where we possess rich and fertile lands, let them help if necessary the settlers during the first two or three years, and we shall thus keep our sons in Canada. I think the money would be much better spent than by

bringing over immigrants who have neither the turn of mind nor the traditions which would help them to become Canadians, they make but a short stay on the land and finally drift to our cities to displace Canadian labour. I received, a few days ago, a letter from the Conseil Central Catholique National des Métiers et du Travail of Hull, which, Sir, I shall read with your kind permission:

"Conseil Central Catholique National des Métiers et du Travail," Hull

Hull, P.Q., March 12, 1924

Doctor J. E. FONTAINE, M.P.,
182 Main Street, Hull, P.Q.

Sir,—

I have the honour to forward a resolution passed by the "Conseil Central Catholique et National des Métiers et du Travail," which was adopted at its last regular meeting, held on January 5, 1924. I trust that, on behalf of the members of the society, the well founded facts in this case will be recognized and they will receive the entire consideration that we believe they are entitled to.

Whereas unemployement exists in most of our cities;

Whereas a great number of citizens in this country, in cities as well as in rural districts, have emigrated and continue to emigrate to the United States;

Whereas immigrants are, each day, arriving in large numbers and that the government intends, according to newspaper reports, to encourage this movement of foreigners entering Canada, and who will replace our workmen;

Be it resolved, that the "Conseil Central" of Hull requests the Minister of Immigration and his colleagues in the cabinet to endeavour by all possible means to keep in this country our own citizens before making outlays to encourage immigration. In their opinion this money could be much better put to use by spending it to keep our own people in this country.

I have the honour to be, Sir,

Respectfully yours,

LUCIEN LAPIERRE,

Secretary.

I wish to state that I entirely agree with this resolution. I would propose to the government as a means of stopping the emigration of our people to the United States, the immediate construction of the Georgian Bay canal. It would prove a most useful undertaking for the country, far more advantageous than the St. Lawrence waterway scheme, since, as I mentioned a few days ago, it would be an undertaking entirely on Canadian soil. It would provide work for our labouring classes who would have no need of emigrating to earn their living.

I wish, Sir, to thank the right hon. Prime Minister (Mr. Mackenzie King) for the stand which he took, in London, on the occasion of the Imperial Conference, last summer, when he refused to pledge Canada without first consulting the people. What a contrast with the right hon. leader of the opposition, who is always ready to pledge Canada into European wars! Indeed, I remember that, last year, he taunted the government for not displaying haste in accepting the invitation of Mr. Lloyd George, then Prime Minister of England, who was pressing us to take part in the war which seemed impending with Turkey. It was more than time that someone ended this wild imperialism. If the right hon. Prime Minister had but this deed to his credit, he would be deserving the support and trust of those who are truly Canadians, but his refusal, recently, to ratify the Lausanne treaty, fully shows that he has no intention to depart from the straight path. It is all to his honour and I sincerely congratulate him.

Before resuming my seat, I wish to ask the government to appoint a special committee to consider the advisability of enacting pensions for old age. You know, Sir, how I have this question at heart. And, even should I have to bore the House, I want to state again that it is the duty of the government to provide at once for such pensions, for it is sad to witness that artisans after having toiled during thirty and even forty years in a factory, after having spent the best part of their lives enriching their employer, often receiving starvation wages, find themselves obliged to depend on their children or to take the road to the poor house, the moment they have become too old or unable to furnish the required amount of work. I again state, Sir, that it is the duty of the government to act immediately and protect these working classes by enacting pensions for old age.

In closing my remarks, I want to state that I have faith in the Liberal party; I have full confidence in its leaders, and I shall vote for the budget as brought down by the hon. Acting Minister of Finance.

Mr. WILLIAM BLACK (South Huron): I join those who have preceded me in this debate in extending my regrets that the right honourable the Minister of Finance (Mr. Fielding) was unable to deliver the budget speech of this year. I add the sincere wish that a rapid and complete recovery will soon again enable him to grace this chamber by his presence. On the other hand, if it has been our misfortune to be temporarily deprived of such a capable minister as Mr. Fielding, the generalship of our Prime Minister has given us a second in command who has very ably filled the difficult task imposed upon him. The thanks of this House are due to the hon. the Acting Minister of Finance (Mr. Robb) for the clear and concise manner in which he has presented to us the annual financial statement of our country and

laid before us the changes proposed to our revenue measures.

I do not intend to take up the time of the House with any dissertation on the merits of the respective resolutions to be considered in reference to this year's budget proposals. A better opportunity will be afforded, I believe, to pass judgment upon them when they are being studied in the committee stage, as no doubt the Acting Minister of Finance will furnish with each resolution, in so far as possible, sufficient statistical information to permit hon. members to appraise the respective measures with due enlightenment. I would suggest to the hon. Acting Minister of Finance that he should be prepared to give this House accurate statistical data or, in cases where this is not available, carefully prepared estimated details as to the number of firms to be affected, their total production, their total capitalization, their total number of employees and their total pay roll, together with the imports and exports by countries of the articles affected. I believe that this data can easily be prepared. I would even suggest that it would be very advisable to add the expected loss of revenue from measures proposed, giving details as to where the losses and to what amount they will occur. I believe, Mr. Speaker, that if such a statement was printed and distributed to hon. members before these resolutions are taken up in the committee stage it would enable a much more enlightened discussion and could very reasonably be expected to save considerable of the time of this House.

I desire to limit my remarks to three or four matters which I think deserve serious consideration at the present time. First, however, permit me to take a few minutes to remove from one particular remark of the ex-Minister of Finance (Sir Henry Drayton) some of the political propaganda which I firmly believe it was intended to spread.

On page 1329 of Hansard of the 14th April, the hon. the ex-Minister of Finance is reported as saying that the reductions proposed to the tariff on agricultural implements would average at best seven dollars. With this statement that this saving of seven dollars per year for each farmer will be the only benefit, I find myself in complete disaccord. In this case the average quoted seems to have been purposely chosen to misrepresent the real benefits that these tariff reductions will have for our farming industry. I do not know the method employed in calculating this average, but I am willing to accept it as representing the correct average. The facts of the case, however, cannot be shown by an average saving, because in doing so you are at the same time admitting that the purchase of machinery is evenly distributed. Such is not the case; if it were, the present tariff reductions would be far from possessing the significance that they do under the real conditions. It is true that seldom a year passes when a farmer can carry on his work without replacing one or another of his implements, but if we only consider the established farm holder how can we expect to solve the economic problems arising from the sparse population at present on our immense territory? How can we expect to entice our young manhood and incoming immigrants to successfully add to our agricultural production by settling new farms? No, Mr. Speaker, the proposed reductions in the tariff are intended to benefit primarily our new settlers and to enable them to equip themselves at as low a cost as possible. I have not calculated what the saving would be on a complete equipment, but I have no hesitation in saying that it certainly will be well in excess of one hundred dollars. Who will say that such a sum will not be a considerable contribution to the success of our new settlers?

We, in this section of the House at least, are very much interested in seeing the large agricultural districts of the northern portions of Ontario and Quebec and the vast unoccupied territory of the western provinces more thickly settled. We realize that by increasing our agricultural production, we shall benefit our manufacturing centres and sanely provide for their expansion. Who will deny that greater population in the rural districts of the West and of the East of this country, greater agricultural production with its necessarily greater demand for manufactured goods, is the real economic necessity that will solve the majority of the problems with which we are struggling to-day. These, and these only, are the considerations that have guided our policy. Hon. members to my right must credit the farming population with very little intelligence when they endeavour to show in this House and outside of it that we are trying to buy our return to this parliament by a paltry consideration to individual farmers, and this at the expense of the manufacturing industry. I repeat that our policy of providing cheaper implements of production is guided by the knowledge that the development of our rural communities will at the same time develop our manufacturing centres and that this combination will spell the success of our Dominion.

I will now deal with our postal system and the revenues which it has derived in recent years through the imposition of stamp taxes. In reply to a question, the Acting Postmaster General (Mr. Stewart) furnished the following answer which is to be found in Hansard of the 14th April, at page 1322:

Year	Net Revenue	Total Expenditure
1915..	$13,046,649 57	$15,961,191 47
1916..	18,858,409 93	16,090,138 77
1917..	20,902,384 46	16,300,578 65
1918..	21,345,394 48	18,046,557 90
1919..	21,602,712 65	19,273,583 94
1920..	24,449,916 97	20,774,385 20
1921..	26,331,118 97	24,661,262 26
1922..	26,554,538 24	28,121,533 95
1923..	29,262,232 78	27,794,501 89

To what sources can the increased revenue to the Post Office Department be attributed? There are two sources. The first is the increased postal rate in effect since 1915, and the second is the large number of stamp taxes imposed. The Acting Postmaster General has stated that there is no manner of dividing the revenue as between mailing revenue and taxation revenue. One need only recall to mind the many methods other than mailing, with which we have been familiar in the use of stamps, to realize that the revenue derived from these sources must, indeed, be large. I am convinced that a very considerable, if not the greater part of the increased net revenue, which has risen from $13,046,649.57 in 1915 to $29,262,232.78 in 1923, is due to the new stamp taxes. But what do we find as regards total expenditure?—that the total expenditures of the Post Office Department have risen at an alarming rate from $15,961,191.47 in 1915 to $28,121,533.95 in 1922, and have dropped only some $330,000 to $27,794,501.89 in 1923. Three main factors can increase the expenditures of the Post Office Department. The first is increased work by a large number of mailed packages; the second is increased cost of general salaries, and the third is increased cost of transportation charges. I submit that under none of these headings can you attribute costs against the revenue derived from stamp taxes. The only additional cost to the Post Office Department would be the additional cost of the stamps themselves. Surely the sale of stamps would not add any considerable cost, and we all know that even the cancellation of the stamps so used is outside the field of postal activities. What do those figures tell us? They tell us a very alarming story and this is it. The net revenue has increased by $16,215,583.21, whereas the total expenditure has increased by $11,833,310.42 between the same two years of 1915 and 1922, leaving a net gain of only $4,382,272.79. Who would attempt to maintain that this amount is all that has been paid by Canadians for the numerous stamp taxes under which we are labouring? No, I am sure that the amount is very much greater, and again, where are the results to be found from the organization of this department where we are told that economy is the watchword, and which from its thoroughness of methods and lack of overmanning has been held up to our eyes as a model of efficiency in government administration? Let us analyze the figures from another viewpoint, that of surpluses and deficits which were as follows for the period of 1915 to 1923:

Year	Surplus	Deficit
1915..	.....	$2,914,541 90
1916..	$2,768,271 16	
1917..	4,601,805 81	
1918..	3,298,836 58	
1919..	2,329,128 71	
1920..	3,675,531 77	
1921..	1,669,856 71	
1922..	.....	1,566,995 71
1923..	1,467,730 89	
Totals..	$19,811,161 63	$4,481,537 61
	4,481,537 61	
Total surplus.. ..	$15,329,624 02	

This total of $15,329,624.02 is an average of $1,703,291.56 for this nine year period. The addition of one cent to the postage rate would only need to be paid on 170,329,156 letters each year to produce this average surplus. To realize that the number of mailed letters is far in excess of this amount one need only refer to the number of post offices which was 12,247 in 1922. The total of 170 millions just referred to would average only 13,908 letters per post office per year, or based on a postal year of 310 days only 45 letters per post office per day. Is this not ridiculous? And this calculation, of course, eliminates all mail matter collected on the 3,777 mail routes operated during 1922 with their 202,668 mail boxes. Again, if we only consider the number of three cent stamps issued in 1922—and for what other purpose are three cent stamps used except for the mailing of letters?—we find that the total was 394,869,400. If we eliminate all city letters and all post cards where the two cent rate still applies, and accept the number of three cent stamps as the number of letters handled, we find that, by again applying the one cent rate as surplus revenue, the average per year would amount to $3,948,694.00 or more than double the actual average surplus of $1,703,291.56 given above. If we dig a little deeper we find some amazing explanations: For example, the increase in the cost of transportation by railways from $4,069,695.87 in 1921 to $7,786,548.74 in 1922, an increase in

one year of $3,716,852.87. There does not seem any plausible explanation of such an extraordinary increase, which is greater than the total cost of $3,441,744.65 paid in 1915 for railway mail carriage. Or again, we find an increase in the cost of water carriers from $186,186.98 in 1915 to $584,777.44 in 1922, an increase of $398,590.46 in the nine year period or a total of 214 per cent. It is true that there was a slight decrease in 1923, when the total dropped to $558,394.37. However, a decrease of $26,383.07 between 1922 and 1923 is not very encouraging in the face of the increase of $371,667.02 between 1920 and 1923, from $186,727.35 to $558,394.37. Another difficult increase to accept is the one for city post office salaries from $4,875,294.54 in 1915 to $9,244,099.32 in 1923, or over 90 per cent.

Perhaps the answers of the Acting Postmaster General to questions on the order paper, and appearing on page 1319 of Hansard of April 14, throw just a little light on the very efficient organization of the Postmaster General's department. They do, at least, seem to indicate that the standard of efficiency varies according to locality. In tabular form, with two averages added, the figures appear as follows from the four post offices of Toronto, Montreal, Hamilton and Quebec: All the figures being for the fiscal year 1922-23.

Post Office	Employees	Salaries	Average salary	Revenue	Average rev. per employee
	No.	$	$	$	$
Toronto	950	1,189,917 25	1,252 54	5,798,015 40	6,103 17
Montreal	811	1,230,247 89	1,516 95	3,680,396 67	4,538 09
Hamilton	112	159,579 40	1,424 81	588,297 10	5,252 65
Quebec	171	225,230 09	1,317 13	523,025 91	3,058 63

The foregoing figures show that in Toronto, with a staff of 950, being 139 more than for Montreal, requiring, from every principle of good business administration a larger supervisory and direction staff, the average salary is $1,252.54 or $264.41 less than the average of $1,516.95 for Montreal. If we compare Hamilton and Quebec, we find that in the latter city the 171 employees, greater by 59 than in Hamilton, and necessarily requiring larger administrative staffs, the average salary is $1,317.13 or $107.68 smaller than the average of $1,424.81 for Hamilton. Now let us look at the revenue. We find that in Toronto the average revenue per employee is $6,103.17, higher by $1,565.08 than the $4,538.09 for Montreal. This happens with a total number of 950 employees in Toronto as against 811 in Montreal. Between Hamilton and Quebec, the difference is still more marked, the average being $5,252.65 per employee in the Ontario city as against $3,058.63 in the latter place. The difference in favour of Hamilton is $2,194.02; and in this instance we find that the highest average revenue is for Hamilton where the number of employees is 59 less than for the city of Quebec. Now, Mr. Speaker, is it reasonable to believe that the figures and averages I have just quoted in reference to four important post offices are such as to convince us that the management of our postal service has attained that high plane of efficiency which is claimed for it? On the contrary, if reclassification and reorganization have produced results such as these figures indicate. I am of the opinion that the work has fallen far short of meriting praise of any kind and that they should furnish sufficient incentive for a determined effort to rectify the anomalous conditions shown to exist.

All the figures I have quoted have been taken from answers given to this House by the Acting Postmaster General or from the annual reports of the Auditor General. And I may remark, Mr. Speaker, that the figures shown for net revenue and total expenditures in the Auditor General's reports differ greatly, as to the expenditures, from those furnished by the Acting Postmaster General. I need only quote the expenditures for 1922, which the Auditor General shows as $32,003,188.92, as against $28,121,533.06 given by the Acting Postmaster General, and $31,180,184.40 as against $27,794,501.89 for 1923. I do not know why there should be such a difference. Let us hope that the Auditor General is wrong in this case. Otherwise the total surplus of $15,329,624.02 for the nine year period as shown from the figures of the Acting Postmaster General would be turned to a total deficit of $9,890,954.07. I trust however that the Acting Postmaster General will take note of these figures and furnish us with an explanation as to the reason for the variation. When we consider, Mr. Speaker, that there

4 p.m.

were in 1922 in Canada 4,451 branches of banks and that at an average of only 50 cheques per branch per day for a banking year of 300 days they would handle 66,765,000 cheques, on each one of which there would need to be at least one two-cent stamp, and that stamps are also required for receipts, for notes and for many other purposes of taxation, we cannot help but conclude that the average surplus of $1,703,291.56 is very far below the actual taxation imposed in stamp taxes on the Canadian public. Notwithstanding the increase of one cent in the ordinary postal rate and the doubling of the registration fee, our postal system has been operated at a great loss during the last nine years. I believe, Mr. Speaker, that the apparent surplus of $1,467,730.89 shown for 1923 by the figures of the Acting Postmaster General would be turned into a deficit of many millions of dollars were it possible to eliminate all but actual postal revenue. Surely there is urgent need for an immediate rectification of these conditions. Under present day taxation, when a tax of some kind meets us at every corner; when the interest charges on our huge national debt account in themselves for a greater total than all our expenditures at the beginning of this century, we can ill afford to operate at a loss a service which produced surpluses in the days of low taxation.

We have in recent years, Mr. Speaker, heard both criticisms and praise of the civil service of this country—criticism mostly of the conditions existing in the service and, in rare cases, against civil servants themselves. The praise, on the other hand, was for the far greater part given the civil servants and was in a sense a tribute to their individual efficiency, to rare achievements or to undoubted ability in transacting the public business. This session the government came to us with loud heralding of the reductions they were going to carry on in the civil service, in order to eliminate duplication of work, do away with overmanning, increase efficiency and decrease expenditures. The estimates we have been studying do not indicate any very great progress in that direction this year, and I may say I am rather glad of it. Mr. Speaker, I fully realize that we are traversing a period of financial stress in this country and that there was never a greater need for economy. But I also believe that we cannot hope to achieve efficiency and low costs in our civil service by the process of haphazard elimination which has been practised this year. I mean the reduction of staff here and there with the consequent chopping off of this or that particular piece of work. Furthermore, I do not believe there is a single hon. member in this House, and probably it would be difficult to find a single elector in the country, who, if he knew all the conditions, would want us to economize to the extent of a few dollars in the civil service at the expense of our contracts, written, verbal or implied, with the employees of this Dominion. It is not fair, nay, it is criminal, to engage young men or young girls, keep them for many years, oblige them to train in a line of work which only the government does, and then release them with little or no compensation when it had been more or less definitely understood that the employment would continue as long as the services rendered were efficient and the employee continued his good behaviour, Take the young man who enters the service at a low salary, gives of his best at small remuneration, and by constant application to his work attains a somewhat higher salary rate. He has chosen the service as a career and fitted himself for a particular line of work different from what is required by other employers. I claim that it is not fair to dismiss him after he has passed up chances of being successful in other work in order to accept government employment, often at a much lower salary on the consideration that the work would be permanent.

No, Mr. Speaker, efficiency, removal of overmanning and consequent economy will never be obtained by the method which has been employed in the service this year. Unless a proper system is adopted and worked consistently we can never hope to have better conditions than we have to-day. Can any one honestly claim that civil servants are responsible for the conditions that exist? Is it the fault of the employee when the employer engages him to perform work already being done in another department or for which there is no need? Is it the fault of the employee if the hours of labour are limited to six and one half on week days and four on Saturdays? No, the responsibility for the conditions found to-day lies at the feet of the governments, both present and past. It is the duty of the government to rectify these conditions, and I say that it is also their bounden duty to do so without causing any hardship to the civil servants who have only been the dupes of maladministration, extravagance and political patronage. I dare say that the reductions which are taking place this year will still leave a condition, in permanent departments at least, worse than existed when the government of to-day took office. I mean that I believe the number of appointments in excess of retirements from all causes has been much greater

since 1922 than the reductions which are taking place this year. There is one method and only one, by which better conditions can be made to prevail in the civil service of this country, and I would suggest this method for the serious consideration of the government:

1. A complete survey of the work to be performed with a view to eliminating all duplication of work and expense.

2. The gradual installation of all modern labour-saving facilities so that the greatest amount of work can be performed with the least possible staff.

3. The complete cessation of appointments until overmanning has completely disappeared; With the exception only of technical requirements when investigation has shown that no one within the civil service possesses the necessary qualifications.

4. The filling of all vacancies through transfers from one department to another.

5. An arrangement by which the civil servants would contribute sufficient of their annual salaries to permit of a reasonable superannuation system without adding to the cost of civil government.

6. The gradual increase, according to reduction in total staff, of the hours of labour from six and one half as at present to at least seven and one half or eight hours.

7. A thorough study of salary conditions in order that proper remuneration schedules can be adopted so as to furnish proper incentive for efficient service.

8. No dismissals, except for bad behaviour or inefficient services; as well as in those cases where the appointment has been of a purely temporary nature.

9. The establishment of a consulting group chosen from civil servants themselves to help the government to bring about the necessary changes.

In connection with the last suggestion, there is not a shade of doubt in my mind that if ministers, deputy ministers and the Civil Service Commission thoroughly co-operated with a well chosen body of civil servants, results of a permanent nature would be more quickly achieved than through the adoption of any other method.

I maintain, Mr. Speaker, that the above plan, if followed, will bring about permanent results, will cause hardship to no one, and should remove for all time from the mind of every one the far too frequent cry of mismanagement which is being heard these days. I repeat that civil servants have not in any way been responsible for the conditions that exist to-day, that the governments, both present and past, must shoulder the responsibility and that any policy whereby the innocent must suffer is unfair and unjust and betrays that spirit of British justice of which we are all so proud. I trust that the government will take kindly to my suggestions, and give them serious consideration.

I now come, Mr. Speaker, to the last part of my remarks. We have been accused of representing only one element of this country. It is often stated that we are only interested in the measures that will be of immediate benefit to the farming community of Canada; that we are willing to sacrifice the interests of other sections provided that the farmers' desires are served. Let me say, Mr. Speaker, that if such were our policies we would not deserve the name of Canadians. No, such are not our policies. We are, on the contrary, interested in the welfare and progress of Canada as a whole, in the progress of our manufacturing industries as well as in the welfare of our farming communities. We desire conditions in this country which will permit suitable living and working conditions to obtain for our farm labourers and farmers, as well as for the artisans of our urban centres and our manufacturers. The movement responsible for our presence in this chamber, however, was based on the unfair conditions that have long existed against the farmers of this Dominion, due, no doubt, to their practical lack of representation in the parliament of our country previous to the last election. Such an important section was entitled to a hearing in this Palace of Laws and surely no one would maintain that in devising our legislation their welfare should not be taken into account. To-day unfair conditions exist, and our efforts are directed to equalize conditions as between all sections, in so far as possible.

How can farmers be satisfied with conditions such as are disclosed in the March, 1924, issue of the Prices and Price Index Bulletin of the Dominion Bureau of Statistics, where it is shown, for example, that the index number for grains has risen from 100 in 1913 to 124.9 in 1923, and that the index number for flour and milled products made from these same grains has risen from 100 to 131.1 between the same two years, but that, on the other hand, the tea, coffee, cocoa and spices that the farmers must buy had risen to 201.0 in 1923 as against 100 in 1913; that the vegetables he sold at 100 in 1913 brought him 157.7 in 1923, but that the hosiery for which he disbursed 100 in 1913 cost him 295.2 in 1923? Can he be expected to remain inactive in the face of the index price for hides, for instance, which dropped from 100 in 1913 to 80.9 in 1923, whilst the leather made from

these hides has risen from 100 to 116.3 between the same two years, a difference against the farmer of 35.4? And going a step further, he finds that boots and shoes, again the product of the hides, have risen to 141.9 in 1923 from the base of 100 in 1913. Has not the farmer just cause for complaint when a ten-year period places him at a disadvantage of 60 points between the hides that he produces and the shoes he must buy? The same conditions, Mr. Speaker, apply in the same manner to all the farmer has to sell as compared to what he has to buy. In every instance, practically, the increases which have taken place in the prices of the commodities which he requires are very much greater than the increased prices which he receives for his produce. And in some cases there have been actual decreases in the prices which he receives. The bulletin to which I refer uses a base of 100 for the year 1913 and we find figures such as these for 1923: tools and hand implements, 212.6, bricks, 169.0, lime and cement, 159.6, sugar and its products, 226.4, woollen cloth, hosiery and underwear, 233.3 and so on all along the line of the goods the farmer must buy. But if we look at the 1923 index numbers of the goods he has to sell the story is very much different and it is at once apparent that his revenues have far from kept pace with his increased costs of living and of production. Live stock dropped to 97.6, hides and skins to 80.9, whilst grains have only risen to 124.9, eggs to 130.1—those are last year's figures; eggs have dropped this year 50 per cent—and vegetables, from which in the great majority of cases no revenue is derived by the ordinary farmer, to 157.7.

If we analyse price conditions from another angle we find that the wholesale prices show that wheat was at 88 cents per bushel in 1913 and $1.08 a bushel in 1923, but we also find that a barrel of flour could be purchased for $5.36 in 1913 and that it cost $6.87 in 1923. Now, Mr. Speaker, based on the average of four and one half bushels of wheat to a barrel of flour, we find that between 1913 and 1923 the farmer received 90 cents more for the wheat necessary to produce a barrel of flour, but that when he had to purchase that flour the cost to him increased by $1.51 or an adverse balance of 61 cents against the farmer. Everywhere you look you find the same results. Cattle brought $6.89 a hundredweight in 1913 and only $6.80 in 1923. But sugar cost $9.58 against $4.18 in 1913. There is no need of quoting more, suffice it to say that no matter from what direction you look at these official figures you always arrive at the same conclusion, that is, the farmer pays more for all he needs, and in many cases receives less for what he has to sell, and in no case is the increase to him proportionate to the increase against him.

Can we reasonably expect contentment when such conditions prevail? Can we be blamed for our endeavours to bring about more normal conditions? Surely not, more equitable conditions are urgently required, and until they obtain there can be no real progress. Hon. members to my right have been painting blue ruin for the manufacturers of this country unless we keep our hands off the tariff. Yes, indeed, they endeavour to maintain that rather than a lowering of the tariff we are in urgent need of higher tariff barriers, if we do not wish our manufacturing industry to go into bankruptcy. Mr. Speaker, higher tariffs, and in fact tariffs of any kind, can only bring artificial life to any industry and they never will solve the problems of the manufacturers. Their troubles lie elsewhere. They must pare down their overhead charges, they must lessen their sales costs, they must cheapen the extremely expensive distribution system existing to-day, and they must realize that business expansion can only take place on sound foundations and not on artificial tariff proppings, if they expect to bring a permanent cure to the ills of which they are complaining.

In closing, Mr. Speaker, I wish to repeat that the dissatisfaction and unrest amongst our farming classes is due to the unfair conditions which I have endeavoured to portray. Farmers have a vital interest in the expansion of our manufacturing industries, and their Canadianism is of a brand that extends far beyond the bounds of class selfishness. They realize that true progress cannot be local in its scope. And our efforts to bring about more equitable conditions, are based on the absolute conviction that an adjustment of the unfair conditions of to-day will prove to be the required impetus for true progress for all classes and in every corner of our wonderful Dominion.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I wish to rise to a point of order. I desire to submit to you, in all respect, that the amendment of the hon. member for Centre Winnipeg (Mr. Woodsworth) is not in order and cannot be considered. The amendment as read by the Chair is as follows:

That all the words after "that" be struck out and the following substituted therefor:

Whereas the budget proposals would seem to indicate the recognition by the government of the necessity for a fiscal policy designed to encourage industries based upon the development of the natural resources of the country, and to afford some alleviation of the financial burdens bearing upon the people;

And whereas the condition of such industries and the position of consumers in general is such as to demand relief

Therefore, be it resolved:—

That the best interests of Canada will be served by an immediate and substantial reduction of the tariff on the necessaries of life including foodstuffs, clothing and building materials;

And further that it is desirable,

(a) That the income tax should be so readjusted as to bear more heavily on unearned incomes;

(b) That unimproved land values including all natural resources should not be exempt from taxation; and

(c) That a graduated inheritance tax on large estates should be considered.

My first objection to the consideration of this amendment is that nobody has moved it. The amendment moved by the hon. member appears in Hansard just preceding the motion which I have just read. That motion coincides precisely with the motion as read until one reaches the words "therefore be it resolved". The recitals are identical, but after the word "resolved", from there on the operative part is not the same. I will read the operative part now as moved by the hon. member:

—that the best interests of Canada will be served by an immediate and substantial reduction in the tariff on the necessaries of life, including foodstuffs, clothing and building materials;

I may say it is identical to there. The amendment proceeds:

And further, that the loss of revenue, if any, which might result from such reduction in customs duties should be made good by:

(a) The readjustment and extension of the income tax to bear more heavily on unearned incomes.

(b) A direct tax on unimproved land values, including all natural resources;

(c) The institution of a graduated inheritance tax on large estates.

It will be observed first of all that the motion as put from the Chair precedes the second operative part by the words:

And further that it is desirable—

These words do not appear in the motion as moved. Secondly, the (b) part of the operative clauses reading in this way in the motion as read by Mr. Speaker:

That unimproved land values including all natural resources should not be exempt from taxation—

Reads as follows in the amendment as moved:

A direct tax on unimproved land values, including all natural resources.

And (c) which reads in the motion as put:

That a graduated inheritance tax on large estates should be considered—

Reads in this way in the motion as moved: Be it resolved that the customs duties should be made good by

The institution of a graduated inheritance tax on large estates.

No reference to this subject being a mere matter of consideration. I do not wish any reflection at all on the officers of the House, and still less on the Chair, in relation to the changes. The design probably was to endeavour to trim the amendment into such shape that it would be in order, or I will put it in any other way that the Speaker might suggest. Whatever the motive was, there was no design to be unfair to any portion of the House. But my point is this: That no motion as moved in this House can be altered after the motion is spoken to and the hon. member's speech, under the rules of the House is a speech to the amendment as he moved it. As every hon. member knows, the hon. gentleman's speech is taken to be a speech to the amendment, not a speech to the main motion. Consequently, the amendment as he moved it has been spoken to at considerable length by the hon. gentleman himself. However laudable the object may have been, it is impossible to alter the motion after it has been debated in this House. Consequently, the motion as now put from the chair has never been moved in parliament, and therefore it cannot longer be debated.

My second reason is this: That in either form, in the form as moved or in the form as put, the motion is distinctly out of order as being in conflict with rule 77 of this House. That rule reads as follows:

If any motion be made in the House for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned until such further day as the House thinks fit to appoint; and then it shall be referred to a committee of the whole House before any resolution or vote of the House do pass thereupon.

Perhaps I shall be pursuing the better order of argument if I now refer to certain authorities bearing upon this rule and its effect. I first of all refer to May, page 462, where I find the following:

The principle that the sanction of the Crown must be given to every grant of money drawn from the public revenue applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax say by a minister of the Crown, unless such tax be in substitution by way of equivalent for taxation at that moment submitted to the consideration of parliament. Nor can the amount of a tax proposed on behalf of the Crown be augmented nor any alteration made in the area of imposition. In like manner no increase can be considered, either of an existing or of a new or temporary tax for the service of the year, except on the initiative of a minister acting on behalf of the Crown. Nor can a member, other than a minister, move for the introduction of a bill framed to effect a reduction of duties, which would incidentally affect the increase of an existing duty or the imposition of a new tax, although the aggregate amount of imposi-

tion would be diminished by the provisions of the bill.

I do not need in this relation to read further, but I will do so in reference to another exception which at times has been claimed. It will be seen though from the rule as read, and from the exposition of the doctrine as set out in May and confirmed in Bourinot, that, first of all, no motion of any kind for the imposition of a tax can be made unless it is introduced into parliament under the sanction of the Crown; that is with the approval of the Governor General. Secondly, that any motion at any time brought in, though properly introduced, and having the effect of imposing a charge on the people, must not be presently entered upon, but shall be adjourned till such further day as the House thinks fit to appoint, and then shall be referred to a committee of the whole House before any resolution or vote of the House do pass thereupon. This motion undoubtedly imposes or leads to the imposition of a tax upon the people, not only one tax but several, and specifies definitely what those taxes shall be. The hon. member is therefore incompetent to introduce the motion. It must be introduced in the House, by a minister alone, and must be accompanied by the approval of the Governor General. In the portion I read it will be observed that an exception is mentioned. The portion where the exception is mentioned reads:

> No motion can therefore be made to impose a tax save by a minister of the Crown, unless such tax be in substitution, by way of equivalent for taxation at that moment submitted to the consideration of parliament.

In the first place there is no motion before the House imposing any tax as to which any hon. member might move a substitution. The motion before the House is that the House go into committee of Ways and Means, in order that when in committee, a motion or resolution imposing a tax may be moved. We are not yet at the stage when any motion is proposed by a minister imposing a tax. But even if we were, what the hon. member proposes is that his new tax shall be a substitute for something not even suggested by the minister. It is to be a substitute for something suggested by himself. Even therefore were we at the stage when a substitute tax for one proposed by the minister might be moved, the hon. member would not be in order, because he is proposing that there be a certain loss of revenue by a method he devises, and then he says: "To make up my loss, not the minister's, I propose that this new tax be imposed." Consequently it is beyond argument to suggest that he can come within this exception.

I now refer to page 468 of May, under the reading of which on one or two occasions certain resolutions that appeared on the order paper, and that did not come at the time, of the budget or at the regular tax imposition time, were allowed. They were allowed, may I say, against my protest, and I still think wrongly, but they were admitted. Even under those precedents, which I want to urge it is very undesirable to follow, as they will lead us into complications and difficulties we know not of, I submit my hon. friend's motion cannot be countenanced now. Under what class of exceptions were those two resolutions that had been put on the order paper admitted. It must have been under this exception at page 468 which I read:

> In like manner motions advocating public expenditure or the imposition of a charge, if the motion be framed in sufficiently abstract and general terms can be entertained and agreed to by the House. Resolutions of this nature are permissible, because having no operative effect, no grant is made or burthen imposed by their adoption.

An instance then is given which will not then be understood unless I read the details of the reference, but an instance which has no family resemblance at all to the case in point to-day. Now we come to the general language I have just read—

> Motions advocating public expenditure or the imposition of a charge, if the motion be framed in sufficiently abstract and general terms, can be entertained and agreed to by the House. Resolutions of this nature are permissible because having no operative effect, no grant is made or burthen imposed by their adoption.

Is this a resolution of that nature? I submit this resolution can by no manner of means be classified in such a way, unless we go to the extent of saying that a resolution, to come under this classification should read, "that John Smith be taxed so much," or, "that William Brown be taxed so much". If we must go that far to make our resolutions specific, then this resolution is not specific. But how does it read? I will read it in the form in which it is put:

> And further that it is desirable:
> (a) That the income tax should be so readjusted as to bear more heavily—

On what?

> —on unearned incomes.

On unearned incomes? Can anybody fancy that this is in "abstract" and "general" terms such as to be permissible as having no operative effect. If it is, then all the resolutions which ministers move in this government or in any other are just of the same kind, and the rights of an hon. member in that regard are exactly the same as the rights of

a minister. By way of illustration I read one of the resolutions which now stands in the name of the Minister of Railways and Canals (Mr. Graham), a resolution as to the construction of a railway. He does not move a resolution which, if it passes, of itself means that a road is to be built, which of itself makes any charge on the people or any loss to the treasury. Not at all. He simply moves a resolution which says "it is expedient." What is the difference between the word "desirable" and the word "expedient?" Is one more general than the other? Is one more specific than the other? Is one abstract and the other not? In that regard both are identical. The minister moves a resolution which reads:

That it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line, jointly with the Canadian Pacific Railway Company, from Rosedale...

And so on. That it is "expedient" to do so. Now we say that it is "desirable" to tax all unearned incomes more. Is that merely an abstract, pious affirmation? It means this, that if this House approves, the House directs that a bill be introduced to that effect. If this step can be taken on the motion of an hon. member who is not a member of the government, then I submit very seriously that we are simply playing fast and loose with the rules of this House; that there is no place to stop; that the rule which has come down through generations in the British House and which has proven a safeguard of their parliament, is to be abandoned by us. Because, if we can move that it is desirable to do a certain thing, even for the moment appropriating the language of the amended resolution, on the motion of a private member, and put the House on its judgment, then all this safeguard is gone. We can move that it is expedient to do a certain thing or we can use any other adjective we like. So I submit most earnestly, out of the regard which I have for the rules of this House and for the future conduct of this parliament, that this motion of the hon. member for Centre Winnipeg (Mr. Woodsworth) is clearly and unqualifiedly out of order.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, I think it is, perhaps, a little strange that the leader of the opposition (Mr. Meighen) gave me no notice whatever that he proposed to take action at this time.

Mr. MEIGHEN: The hon. member gave me no notice of his motion.

[Mr. Meighen.]

Mr. WOODSWORTH: I would urge that this is a question of giving notice of a matter that is already before the House. I am under absolutely no obligation to give notice of any motion of mine to the leader of one of the other parties of this House. So again I would say that it would seem as if there might have been some notice given that this matter was to come before the House at this time. I might also call attention to the fact that the leader of the opposition in the earlier part of his remarks proceeded to read me a lecture as to my reasons and motives for preparing such a motion as this, and he also rather implied that there had been changes that had been, perhaps, almost underhand in their character. I should like to make a very brief statement as to the character of the alterations that were made. In the very first place, I should like to ask that the scroll of the House should be produced on this occasion as I believe it was a few days ago, in order that we may see just where we stand in the matter. My resolution, as the leader of the opposition has stated, is given in Hansard at page 1460. Immediately after recess, before the motion had been accepted or read to the House, it was suggested to me by the Speaker that possibly the form was not the best and that it might be modified in order that it might more nearly conform with the regularly accepted rules of the House. In consultation with the Speaker and the authorities of this House, I consented to make such changes in the resolution as seemed to be necessary or advisable in order that it should conform more nearly with the accepted usages of the House. That is precisely how the matter stands with regard to that point. I thought I was on safe ground in introducing the resolution, since in form I followed a resolution which was introduced a year ago by the hon. member for Brandon (Mr. Forke) on May 14, 1923, as reported on page 2717 of Hansard. Mr. Forke moved:

That all the words after the word "that" be struck out, and the following be substituted therefor:

Whereas the tariff policy of the government, as indicated by the Minister of Finance in his budget speech, and particularly his pronouncement in favour of tariff stability at existing rates, and the consequent intimation that the government contemplates no further appreciable tariff reduction, constitutes a repudiation of the tariff planks in the Liberal platform of 1919 and is inconsistent with the Finance Minister's statement last session that the changes then made were a step in the right direction;

And, whereas, the fiscal policy of the government as now brought down is based on the principles of protection, and in this respect is indistinguishable from that of their predecessors in office;

And whereas the condition of the primary industries and the position of consumers in general is such as to demand immediate relief;

Therefore, be it resolved: That while recognizing that changes in the fiscal policy should be made in such a way as to give industries affected a reasonable opportunity for readjustment, this House is of the opinion that the principle of protection as a basis for fiscal policy in Canada is unsound, and that every claim for protection should be heard publicly before a special committee of parliament.

And, further, that the best interests of Canada will be served by:—

(a) An immediate and substantial reduction in the tariff, particularly on the necessaries of life and the implements of production.

(b) An immediate increase in the British preference to 50 per cent of the general tariff.

(c) Reciprocity in trade with the United States as outlined in the proposed Reciprocity Agreement of 1911.

And, further, that the loss of revenues, if any, which might result from a reduction in customs duties should be made good by:—

(a) The readjustment and extension of the income tax to bear more heavily on unearned incomes.

(b) The increase and extension of excise and other taxes on luxuries.

If you will compare the resolution as I presented it to the House with that which was presented a year ago by the leader of the Progressives, you will find that the form is exactly similar. Some of the clauses are taken word for word. The leader of the opposition quotes a number of authorities and various precedents to show that it is impossible that a resolution in this form should be accepted by the House. The fact is that a resolution in this form was accepted a year ago, and I ask: If this could be accepted a year ago by the House when moved by the leader of the Progressives, why cannot my resolution be accepted this year? Surely, this is a precedent. I am not going into any detail as to the form of the resolution or whether it conforms exactly with the principle suggested by the authorities on procedure. It seems to me that it would be a very serious thing, indeed, for the conduct of the business of this House if private members are not to be permitted to introduce resolutions dealing with the underlying principles of taxation. It would simply reduce to impotence the entire opposition and we should not be able to submit any constructive suggestions whatever. I take it that if this resolution were passed the effect would be virtually the adoption of a certain principle, and it would then be open to the government to bring down such special measures along that line as they might see fit. As I have not had any opportunity of consulting the authorities on this matter I think, Mr. Speaker, that with your consent and with the permission of the House it might be desirable that this debate should be adjourned until I have had such opportunity.

Mr. SPEAKER: The question is undoubtedly one of importance and I shall deem it advisable to reserve my decision. In the meantime, if other hon. members desire to speak to the question I shall be glad to hear their views.

Mr. MARCIL (Bonaventure): The weak point in the argument of the hon. member for Centre Winnipeg (Mr. Woodsworth), in citing the motion made by the hon. member for Brandon (Mr. Forke) last year, lies in the fact that the hon. member for Brandon did not withdraw his motion after having submitted it to the House, nor did he change it, as is proposed to be done in this instance. Rule 43 is an old established rule of parliament and I beg to quote it:

A member who has made a motion may withdraw the same by leave of the House, such leave being granted without any negative voice.

So that unless permission is given to the hon. member to withdraw his motion it remains the property of the House; it cannot be withdrawn except by unanimous consent.

Mr. WOODSWORTH: Is there any record that I withdrew my motion?

Mr. MARCIL (Bonaventure): I am going by the report in Hansard.

Mr. WOODSWORTH: Then I would ask, for the purposes of the scroll, that my motion be allowed to stand.

Mr. MARCIL (Bonaventure): Under rule 43, I take it that the hon. gentleman may not substitute a second motion for his first unless he obtains the leave of the House to withdraw the previous amendment.

Mr. SHAW: I think the proposal of the leader of the opposition (Mr. Meighen) is a matter of vital importance. Unlike the right hon. gentleman, I do not hold in extreme veneration a great many of the rules which have come down to us from the somewhat dim and distant past. I do feel, however, that the question under consideration is of such vital importance that not only should the matter be adjourned but that an opportunity should be afforded hon. members to discuss it when it does come up again. I think that if the leader of the opposition had followed the suggestion made two years ago, and allowed the leader of a party in this House to propose any amendment or series of amendments to the budget, the difficulty in which he finds himself at the present time would have been obviated. I am of the opinion that his real chagrin in the matter—

Mr. MEIGHEN: Order.

Mr. SHAW:—is due to the fact that the rules of the House bear to some extent upon him at this time.

Mr. MEIGHEN: I submit that the hon. gentleman is out of order in seeking to enter into a discussion with me upon a matter that is not relevant to the question under consideration.

Mr. SHAW: I am prepared to respect my right hon. friend's objection. I repeat, that this matter is one of very grave importance and I do not think it should be hastily disposed of without ample opportunity for the presentation of arguments. The thought occurs to me, presuming that the contention of my right hon. friend is correct, that the entire amendment is not necessarily vitiated; only that part is vitiated which comes within the ambit of his argument. No doubt the amendment may be bad in some respects, but likewise it may be good in part. I am not prepared to argue that question. But if such is the case, then it seems to me that, presuming for the sake of argument that the part to which my hon. friend has referred is bad, the Speaker would be justified in ruling out of order only that particular portion which deals with the raising of revenues in a special manner.

Mr. CARROLL: What would become of the rest of the amendment?

Mr. SHAW: I take it that it would stand. The amendment would then conclude with the words:

> Therefore, be it resolved that the best interests of Canada will be served by an immediate and substantial reduction in the tariff on the necessaries of life, including foodstuffs, clothing and building materials.

If I understand my right hon. friend's position, he has no objection to the amendment up to that point; he particularly objects to the suggestion of the hon. member for Centre Winnipeg (Mr. Woodsworth) as to the manner of raising revenue. I would earnestly suggest that the matter be adjourned in order that hon. members might have an opportunity of discussing it later.

Mr. SPEAKER: If no other hon. member desires to speak to the point of order, I shall reserve my ruling until Monday.

Mr. ALEXANDRE J. DOUCET (Kent, N.B.): May I at the outset join with the many hon. members who deplore the fact that the Minister of Finance (Mr. Fielding) could not be present to deliver the budget this year. As a member from the Maritime provinces, born in Nova Scotia, I regret that by reason of ill-health he has been unable so far to attend the present session of parliament. Had he been privileged to deliver the budget I am sure that he would have weighed the consequences seriously before bringing down a budget that has caused consternation throughout the country. He would have borne in mind what occurred in parliament on April 22, 1897, and would no doubt have seen to it that his budget would be so framed as to satisfy as far as possible all sections and classes of the Dominion. All hon. gentlemen who have so far spoken from the government benches have maintained that agriculture stands to benefit largely from the reduction in what is called the protective tariff. I, Sir, representing a constituency whose interests are centered in agriculture, in the fisheries, and in lumber, fail to see how a reduction in the tariff as submitted by the Acting Minister of Finance (Mr. Robb) is going to be of such great advantage to the people. The hon. member for Kings, N.S., (Mr. Robinson), speaking yesterday on this question, justified his purpose to support the budget by the fact that, as he said, his constituents would be relieved of present burdens inasmuch as fertilizers were going to be exempt from duty. My hon. friend must know, surely, that his constituents who are engaged in the raising of fruit, and the fruit companies in the whole valley of the Annapolis, have been accustomed to bring in fertilizers in the unmixed state to be mixed and compounded at home.

5 p.m.

The ingredients necessary in the manufacture of fertilizer, such as nitrate of soda, muriate of potash and sulphate of ammonia, have been coming into this country duty free. It is true that ground acid phosphate was subject to a tax of 20 per cent, while phosphate rock, unground phosphate, could be imported free. But if the farmers or the fruit growers of any section of the Dominion had to import phosphoric acid in its ground state, that would mean a duty of 20 per cent on each ton value of $12, and as the amount of acid phosphate required for the fertilizing of one acre of orchard is 300 pounds, the hon. member for Kings N.S. (Mr. Robinson) feels justified in supporting the present budget because it does save his constituents 36 cents an acre in fertilizer. I do not believe that the reduction of tariff is going to be a panacea for all the ills, the dissatisfaction and the unrest that prevail to-day among the agricultural classes. And when I speak, Sir, of agricultural classes, I do not refer to the wheat miners, to those who for years have been mining the soil of this Dominion; I speak of the class referred to by the Minister of Agriculture as those en-

gaged in diversified farming. We in the Maritime provinces call it mixed farming, and we get so much mixed up in trying to make both ends meet that I think we shall continue to call it mixed farming.

Now, some of our friends from the eastern section of the country, and possibly from the Pacific section as well, will claim that they are justified in voting for the budget because it means a large reduction in the cost of those things which are necessary in the fishing industry. Why, they say, everything needed in the pursuit of that industry will be duty free, but they take good care not to tell their constituents and the public in general that with the exception of tarred marlin everything used in that industry was already free.

Mr. MARTELL: May I ask my hon. friend who made them duty free?

Mr. DOUCET: If the hon. gentleman does not know it, how can he expect me to tell him?

Mr. MARTELL: You cannot answer. The Liberal government made them free.

Mr. DOUCET: Conditions to-day are such throughout the length and breadth of this Dominion that it is not the time to be meddling with tariffs or to institute any policy which would be detrimental to any one section or to any one industry. In this connection I want to cite a few figures to show that the farming industry, one of the basic industries of this Dominion, is in such a position that it needs more than a little whittling of the protective tariff. The live stock statistics for 1921 and 1923 are, to my mind, conclusive evidence of the fact that all is not well with the agricultural industry. In 1923 there was a decrease of 283,280 horses in the country as compared with the figure for 1921. There was also a decrease of 799,636 in the number of cattle. There was a decrease also of 921,993 in the number of sheep, and an increase of 550,421 in the number of swine. That increase must have been due to the effort of the farmer to bring about the consumption of their over-production of agricultural produce, an over-production due to the supplanting of their products by those which are coming into this country from across the line. But although there was an increase of over 550,000 in the number of swine, the value of that particular line of live stock decreased by $1,730,000. The total number of heads of live stock was 1,615,730 less in 1923 than it was in 1921, and the total value decreased by $152,704,000. That is sufficient evidence to show that something is wrong. For this condition the high cost of transportation is largely responsible; we have not the proper market facilities, and there is an importation of American produce which operates to our detriment. At present eggs are coming across the line in direct competition with our own produce. I am told that in the city of St. John storage eggs were offered last week for 7 cents a dozen. Now, I want to be fair; I do not believe storage eggs were offered at St. John at that price, but I believe that quotations were made to St. John wholesale merchants for American storage eggs at 7 cents a dozen. That is not improbable, because the duty on eggs imported into this country is only 3 cents a dozen while the duty on eggs exported from Canada to the United States is 8 cents a dozen.

Agricultural conditions are not as we would like to see them in the province from which I come, as is shown by the statistics furnished by the provincial Department of Agriculture. During the year 1923 the acreage of our four important crops, wheat, oats, turnips and potatoes, was 131,107 acres less than in the year 1922, and we account for that decrease in acreage by the fact that there were 10,735 more farms vacant in 1923 than in 1922; in other words, only 77 per cent of the cultivated farms of 1922 were cultivated in 1923, and that, Sir, without going into details, explains the large exodus of our population from the province of New Brunswick. I venture to say, Sir, that if I had the statistics before me I would find that the same rule applies to half the provinces of the Dominion, at least from the centre to the Atlantic ocean

But, of course, Mr. Speaker, this great budget and the tariff proposals that have been brought down are going to be a panacea that will cure all evils, and with that policy in force we must expect conditions to become rosy. Sir, I submit that the most important factor in connection with the future of our agricultural interests in this Dominion is to find a home market for our produce. I am not so much concerned about the implement manufacturers in the centre of this Dominion, but I submit that if we wish to create and develop a home market for the purpose of providing consumers for the products of our farms we must have a certain measure of protection for the industrial centres, and I submit that when you are whittling off the duty on farm implements, and are allowing bar steel, bar iron, and pig iron and other semi-finished products to come into this country for the purpose of

manufacturing farm implements, you are striking a death blow to one of our largest industries in eastern Canada. We have in that section of the country an industry that was fostered by both governments. It was the result of the national policy and continued by those who followed the Liberal-Conservative administration of 1896. It was the result of a system of bonusing the Dominion Iron and Steel Company, the purpose of which was to place them in a position to compete in the markets of this Dominion with their bigger competitors in the United States. That bonus was withdrawn, it is true, but to-day besides withdrawing the bonus, when this government withdraws the protection they have enjoyed when they came into direct competition with the products of the United States, favoured by a shorter haul, it strikes a blow, and a stunning blow at that industry which provides a large market for a great portion of the agricultural products of the Maritime provinces.

I did expect, Sir, after the eloquent, sincere, earnest and honest appeal made by the hon. member for Cumberland (Mr. Logan) that we would have seen some encouragement given in this budget to the coal industry. Not he alone is interested in placing a protective tariff on bituminous coal entering this country, the hon. member for Cape Breton North and Victoria (Mr. Kelly), who moved the Address in reply to the Speech from the Throne, and the hon. members for Cape Breton South and Richmond (Messrs. Carroll and Kyte), together with the hon. member who occupies the position of Minister of National Defence (Mr. Macdonald), are all greatly interested in the coal industry. I do not cite anyone to my left as representing the coal mining industries of Alberta, because I do not know the exact portion of the province in which coal may be mined out there, but I do say that in the provinces of Nova Scotia and New Brunswick we have vast limits of coal mines, and that industry could be developed to the point of supplying our share or fifty per cent of the bituminous coal imported from the United States. Of the 16,000,000 tons of coal imported, we could supply our portion, 8,000,000 tons, and that on the basis of $8 per ton would mean that for the mining of the coal and the labour connected therewith, for its transportation from the pit mouth to the manufacturing centres of the Dominion and to the consumers of Ontario and Quebec, we would have the tidy sum of $64,000,000 spread all over the country from Cape Breton right up to Toronto and Brockville. I submit, Sir, this is a matter of vast importance, and having been first suggested by a member supporting the government, the hon. member for Cumberland, a protective tariff should have been placed on coal. We have to-day a tariff of 13 cents per ton on slack coal. That duty was put on when slack coal could be bought at the pit mouth for 75 cents a ton; to-day slack coal sells at the pit mouth for $2.85. Is that a fair comparison? Again, we have a protective tariff of 53 cents a ton on run-of-mine coal. That specific duty of 53 cents a ton was put on when run-of-mine coal was selling for $1.25 per ton; to-day it sells for something like $3.75.

But apart from any protection that might have been afforded by the tariff, I think we might have had a suggestion from the government side of the House for a special transportation rate for the purpose of transporting our fuel. That would only have been in harmony with the resolution passed by this House in favour of a national system of fuel supply.

The hon. member for Hull (Mr. Fontaine), who spoke this afternoon—before referring to his speech I might suggest to you, Mr. Speaker, and to the members of this House, that in addition to the suggestion I made here some time ago, the name of the hon. member for Hull might be added to that famous committee to inquire how best to bring about national unity in this Dominion. My hon. friend's utterances this afternoon in connection with the visit of my honoured leader to the province of Quebec will make very good reading. I would suggest to those who framed the Liberal platform of 1919, and who profess to be so anxious to bring about national unity to this country, that the reading of this speech, when it has been translated will be very edifying indeed, and a source of great benefit to the whole Dominion. I need not dwell any longer upon the question. The House and the country know my stand with respect to it. I have nothing whatever to withdraw and I shall never lose an opportunity of pointing out, here or elsewhere, that such arguments as those of my hon. friend are not conducive to the best interests of Canada.

My hon. friend professed himself greatly pleased because the budget was going to relieve the agricultural class. Now, I have shown how those classes are not going to be relieved to any extent in the matter of fertilizers. The question may be asked: Will they not be relieved with respect to farming implements? I maintain that the greatest bugbear of the farming population to-day—especially where we have mixed farming, I

stick to that expression, Sir, for a reason—is that we have too many farming implements. The state of the market is such that production does not pay, and it is a question of keeping those implements utilized all the time. I may say this, however, regarding certain sections of the country that I know of: If they would only place their agricultural implements under cover in the fall of the year, taking them out when needed in the spring, they would certainly save more than any whittling of the protective tariff is going to accomplish.

My hon. friend told the House that the labouring classes in his constituency would benefit greatly by the reduction in the tariff. It would be interesting to know how they will benefit. Even if there was a slight possibility of a reduction in the cost of living would not the labouring classes of the Dominion prefer to have a full week's pay rather than be idle half the time as will be the case by tariff changes, or mooted tariff changes, throwing the industrial centres into consternation.

I have spoken on the question of transportation, and I should like to say a word or two further with respect to it inasmuch as it vitally affects the section of Canada from which I come. In discussing the question I shall endeavour to treat it from a national standpoint. We have been termed "whiners" in the Maritime provinces so often by the press, and I think the epithet has also been used by hon. members here, that I should like to point out that the question is one of national interest. Transportation, owing to geographical reasons, is of the utmost importance to the Maritime provinces. Certain traffic rates must be granted and adhered to if our natural resources are to have any chance at all of reaching the markets of the central provinces. No special privileges are desired by the fishing industry of the Maritime provinces but it does wish to have a fair opportunity of marketing its products in Quebec and Ontario, and other provinces. Such is not the case to-day. In the eyes of the public the Atlantic region is being discriminated against by the National Railways and is not getting its fair share of what it should enjoy. On the 10th instant, as will be found by reference to page 1207 of Hansard, the Minister of Railways stated in reply to questions that the operating expenses of the Atlantic region for the year 1923 exceeded the operating revenue in the same region by $5,222,145; for the western region there was a deficit of $2,020,709; and that in the central region there was a huge surplus of $18,687,610. Hon. gentlemen, and the public in general, may understand that possibly there is a reason for the deficit in the western section in view of the prevailing rates for the carriage of grain. I have no fault to find because special concessions are given for the transportation of grain, if, even at a loss to the railways. It is one of our basic industries and is entitled to certain concessions and rightly so. But the question is asked, why there should be a deficit in the Atlantic region. The answer to that question is very simple. The deficit exists because the railway system is overmanned, bearing in mind the extent of its mileage. To-day you will find at headquarters at Moncton practically the same staff that existed prior to 1921-22 when the Atlantic region consisted of the Intercolonial and all branch lines into Montreal, and the Transcontinental. Not only is a large staff still maintained but in some cases the salaries of the staff, as a result of recommendations made by the new board have doubled and trebled. Now, a question was placed on the order paper on two different occasions with a view to eliciting certain information. That information was withheld on the ground that to give it was not in the public interest, although it was very necessary if any real comparison was sought to be made of the administrative expenses in 1921-22 compared with the expenses to-day. I ask why that information was withheld, especially when it is borne in mind that the Auditor General's report next year will contain all the information that was asked for by the two returns in question? But it will then be too late. That information is withheld for some purpose or for some reason. Let me tell the Minister of Railways (Mr. Graham) and this House that this information is demanded and will be sought for, and when the proper time comes those who are responsible for withholding that information will feel the effect of ignoring public opinion. The electors of this Dominion are shareholders of the Canadian National Railways. The members of parliament are the elected board of directors. The government in council or the cabinet is the executive appointed by the board of directors. The fact that they have transferred the administration of their authority to another independent body does not to my mind relieve them from direct responsibility to the country and to the shareholders for the administration of the road. We as the shareholders of this railway have the right to know how much the administration of each and every section of the road has cost the country. May I, Mr. Speaker, tell you

why the information is withheld? It is because there has been discrimination in the appointment of officials in the Atlantic region. That discrimination has taken place, and it is very important that the fact should be made known, so that the proper charges against those responsible might be made on the floor of this House, if need be. Some day soon all the information refused will be obtained. The majority of the government supporters who have spoken on the budget have complimented Sir Henry Thornton on the great ability he has displayed in the administration of the Canadian National Railways. I do not wish to detract from the ability of that gentleman, but I am reminded a good deal of a merchant in a small town who, every time he was asked to contribute to any church or any charitable object, would immediately place a half a cent a pound on the price of his sugar or some other very necessary commodity, and before twenty-four hours had elasped he had more than doubled the contribution he had made to the charitable institution. Every time the president of the Canadian National Railways tells us—and he does it openly and publicly—that there has been a saving, and that we are going to have a surplus, it would be advisable to investigate, and we many find before twenty-four hours have elasped that Sir Henry Thornton and his executive staff have curtailed some public service on that road, in order to make certain economies.

Mr. ROBICHAUD: Does the hon. member mean to say that the public service on the Canadian National road has been depleted?

Mr. DOUCET: Yes. The county I represent is not very far from the home of the hon. member for Gloucester (Mr. Robichaud). He may have occasion to travel over my constituency, and I wish to remind him that while, for the last 34 years there has been a daily train service on the Moncton and Buctouche railway for 32 miles, and for the last 28 years a daily mail service on that road, since the 6th January, 1924, no train is run on Wednesdays, and the residents along that road for 32 miles have not the benefit of their daily mail on Wednesday. I say that is depleting or curtailing public service in so far as the Moncton and Buctouche railway is concerned. There are only 32 miles of government railway in the constituency which I have the honour to represent. I feel that it is my bounden duty to myself and to my constituents to set the hon. member for Gloucester right, and to tell the public at large that we intend to protest that there should be no curtailment of the public service of the Canadian National Railways in order to give Sir Henry Thornton or any other man the privilege of declaring economy in the service. True we have the satisfaction of knowing that the radio has been installed, and I say in all earnestness and sincerity that it must be a great comfort to the farmers and fishermen of Kent county. But these people are being deprived of the daily trips on Wednesday and cannot read the daily paper on Wednesday evening, in order that Sir Henry Thornton and other titled men may talk all night over the benefit of radio to the province, when we in Kent county can not get public service. It may be noticeable that the radio system is for the benefit of two regions only, and that we have no installation of any kind in the Atlantic section. As usual the Atlantic section gets the short end of it. Sir Henry Thornton is not alone to be blamed for the administration of this railway. It is true he is president of the board, and not only does he administer the railway in his own way, but he acts also as political interpreter of the Dominion. Hon. members might have noticed in the press that after the reverses on the 6th and 20th December last, Sir Henry Thornton gave his own version as to why the Maritime provinces were dissatisfied. Sir Henry Thornton, when assuming the responsibility of president of the Canadian National Railway board, should not have discriminated against the Atlantic section of that road. We had reason to believe, and we have yet reason to believe, that the Atlantic section has a right to have service on the Intercolonial and all branch lines from Sydney, Halifax and Yarmouth to Montreal, and to connect with the Grand Trunk into Portland. Nothing short of that would satisfy the Maritime provinces. We have one-tenth of the mileage to-day, some 2,283 miles. In that section we have two large grain elevators, one of which has not been used at all for the last two years, and we have the Prince Edward Island ferry which is, I believe, a source of deficit, but we make no complaint as to that. If we gave that province a public service we should be proud of it and satisfied with it. But I say that with two great terminal elevators and the Prince Edward Island ferry, and a number of wharves on the Halifax and South Western Railway, built by Mackenzie and Mann, we have enormous expenditures and we have not the railway system to give us the revenue. Hence it is when the answer is given to us that there is a deficit of over $5,000,000, it is not because we do not have the freight for the roads, but because we do not have the mileage.

I do not intend to delay this House any longer.

An hon. MEMBER: Thank you.

Mr. DOUCET: If I had been guilty of reading a well prepared speech, as I have seen practically one-half the members on the other side and part of them on my left doing since the budget debate has opened, there might have been reason for cutting it short.

I told this House in as clear, concise, and brief a manner as possible that what the agricultural classes of this Dominion to-day want is fiscal stability that will permit our industries to proceed to give work to our labouring classes, that will prevent the great exodus of our population to a foreign country and that will thereby maintain in our midst a population ready to consume the products of our farms. Believing that, I beg leave to move, seconded by the hon. member for Yale (Mr. MacKelvie):

That all the words after the word "that" be left out and the following substituted therefor:
This House is of opinion that the welfare of Canada requires a consistently maintained protective policy.

Mr. DEPUTY SPEAKER: Owing to the fact that there is before the House another amendment on which Mr. Speaker will give his decision later, I will take the liberty of leaving this in his hands.

Mr. ROBICHAUD: I beg to move the adjournment of the debate.

Mr. MACKENZIE KING: I understand some arrangement has been made between the whips as to not continuing the debate on the budget this evening.

Mr. BOYS: That is quite correct. Owing to circumstances over which we have no control, the House meeting rather late in the week and the indisposition of one or two members, it is not found convenient to continue the debate to-night at any length, and a suggestion was made that it might stand over and be continued on Monday.

Mr. MACKENZIE KING: The government has no objection to meeting the wish that has just been expressed of postponing the debate until Monday; but as regards this evening, evidently the Minister of Railways and Canals (Mr. Graham), who was leading the House last night, is something of a prophet, because he said:

We will proceed with the budget debate to-morrow, and should anything intervene by which it comes to an end or to a suspension, we shall go on with the resolutions on the branch lines.

I think we ought to go on this evening with the resolutions on the branch lines, and if they are concluded, to go into supply on the estimates of the Department of Agriculture.

Motion agreed to and debate adjourned.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

OTTAWA ELECTRIC RAILWAY COMPANY

The House in committee on Bill No. 10, (Mr. Chevrier) to confirm an agreement between the Ottawa Electric Railway Company and the city of Ottawa, Mr. Gordon in the chair.

On Schedule B.

Mr. MEIGHEN: Why need parliament pass this bill?

Mr. GRAHAM: I am not very conversant with the bill but I am informed that it is subject to the Board of Railway Commissioners. The company and the city have been endeavouring to make an agreement, which they have arrived at. The matter has been before the Railway committee in all its stages and has been passed without amendment. I understand that the agreement must be ratified by parliament.

Mr. MEIGHEN: It is a mere matter of civil rights, so far as I can see. Of course, the Ottawa Electric Railway Company is a chartered company incorporated by act of parliament; but even the Canadian Pacific Railway Company does not need to come to this House to have a mere agreement ratified.

Mr. GRAHAM: Is it not an inter-provincial matter?

Mr. MEIGHEN: I should think so. However, I have no doubt that counsel has looked into the matter and I presume there is some necessity for this bill.

Bill reported, read the third time and passed.

SECOND READINGS

Bill No. 38, respecting the Esquimalt and Nanaimo Railway Company.—Mr. Humphrey.

Bill No. 60, to incorporate The Life Underwriters' Association of Canada.—Mr. McKay.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

Hon. GEORGE P. GRAHAM (Minister of Railways) moved that the House go into

committee to consider the following proposed resolution:

That it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line, jointly with the Canadian Pacific Railway Company, from Rosedale, in a southeasterly direction, to a point on Bullpound creek in township 25, range 14, west of the 4th meridian, in the province of Alberta; estimated mileage including existing grading, 39 miles; estimated cost to the Canadian National Railway Company (one half of total), $915,000.

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

ROSEDALE—BULLPOUND CREEK

Mr. GRAHAM: I might read to the House the note I have concerning this:

In 1919 when a conflict of railway routes between the Canadian National Railways and Canadian Pacific Railway was discussed before the Board of Railway Commissioners, for a line easterly out of the Drumheller coal fields down the Red Deer river, the board ruled that this should become a joint line with equal rights to each railway, and that the parties should make an agreement covering the same. This resulted in an agreement, May 9th, 1919, being drawn, making the stretch east from Rosedale as far as Bullpound Creek an equal joint section and fixing certain limitations in reference to the balance of the route.

The Canadian Pacific Railway now wish to proceed with this joint section construction.

This line will open a further area of the Drumheller coal fields. From the end of the joint section this line when finally linked up easterly to the Acadia valley line will afford the Canadian National Railways lighter grades eastbound for coal from the Drumheller fields. It will also serve the agricultural district on either side of the Red Deer river over this distance.

No final running rights agreement has been reached with the Canadian Pacific Railway as to the detailed terms for the use of the joint section, but the estimate is based on the understanding that half the money will be provided by each party.

Mr. MEIGHEN: Is there any one who can give us some information about the district through which this goes, and the need of the line to the people? I have been surprised to be in receipt of communications from the district claiming that there is an unnecessary duplication of lines.

Mr. GRAHAM: This is a joint section.

Mr. MEIGHEN: Yes, I know that, but within a distance of I think about eighty miles or less than that apart, there are six lines, and this district particularly has been virtually given up; I do not mean given up because of lack of lines, but the information given me—I am not saying it is correct—is that the provincial government has moved the people out.

Mr. STEWART (Argenteuil): I think my hon. friend has in mind the end of the line coming in from Acadia into the territory just north of the Red river. This line begins at Drumheller in the coal district, and runs down the Red Deer river. The Canadian Pacific Railway intend to connect with their line from Empress to Bassano, and the Canadian National Railways will eventually connect up with the Acadia valley. My hon. friend will remember they now have a branch from Hanna southward ending at the river, and they can go out that way for the time being. I think the territory to which my hon. friend has reference is a strip of country along the north side of the Red Deer river south of the Goose lake line, through which this line if constructed would run.

Mr. MEIGHEN: I remember distinctly the district was described as the Bullpound district.

Mr. STEWART (Argenteuil): That is quite true. I would not be surprised if there have been a number of people leaving that territory because they were a long way from railway facilities, and the district has suffered from drought for a few years, but I know they had a very good crop there last year. The object of this line, however, is to tap all the coal fields down the Red river. At the present time the Canadian Northern crosses the Red river at Drumheller and serves the area just in the vicinity of Drumheller, but they have a heavy grade out to the north. The Canadian Pacific comes in from the west, taps Drumheller, and goes down the river a short distance till it connects with their line from Bassano to Empress.

Mr. KENNEDY (Edmonton): I wish to take a little time to-night to discuss in a general way this branch line programme. There have been a number of statements made from across the floor of the House and also from my right with regard to the value of the western lines in general to the Canadian National Railways, and it has been suggested by some hon. members that this branch line programme was a means of purchasing Progressive support for the government, and that there is really no justification from a financial standpoint for this construction. I do not want to quote the various statements I have here that were made in the House—the statement, for instance, by the hon. member for Joliette, another by the hon. member for South Oxford, and another by the hon. member for Vancouver Centre, with regard to the question of duplication. The ex-Minister of Finance the other day after the budget was introduced read from a return that had been brought down with regard to the railways especially the National Railways, and this is what he said:

There was a time when our railways in western territory were good assets, but we have got a return to-day by the Minister of Railways and Canals (Mr.

Graham) showing how the earnings of the National system are made up. The hon. acting Minister of Finance (Mr. Robb) talks about the great increase of industrial and agricultural activity that his measure will produce. Why, we have never had a bigger or better year, so far as volume is concerned, than the present year; and yet the whole earnings of all the western territories, the prairie provinces and British Columbia, for the last year amount to $72,000,000 and the operating expenses amount to $74,000,000.

The CHAIRMAN: The hon. member seems to be quoting from another debate which took place this session, and not the debate upon the branch lines bill; I think he said it was from the budget debate. That would seem to be out of order.

Mr. KENNEDY (Edmonton): If the Chairman rules that out of order I am quite willing to accept the ruling, but I am going on with my statement just the same, though not with this quotation: I am trying to justify the construction of these branch lines in a general way.

I asked for a return in this connection and I have the statement here. The Canadian National Railways are divided into three divisions: The Atlantic region, the central region and the western region. The operating revenues and expenses in these different regions in 1923 were as follows:

	Operating revenues	Operating expenses
Atlantic region..	$ 22,000,000	$ 27,000,000
Central region..	127,000,000	109,000,000
Western region..	72,000,000	74,000,000

As regards the central region, while there is a net operating revenue of $18,000,000, almost $17,000,000 of that is made up of Grand Trunk earnings, and it is hardly fair to compare the newer railways that have been built west and east, in a general way, with the old established Grand Trunk. But if we compare the newer railways in the West with the newer railways in the eastern and central regions, we find that against a net operating loss in the West of $2,000,000 there is a net operating loss in the East—that is, taking the central region and the Atlantic region together—of $4,000,000. So it would seem, from this return, that the western lines are justified in spite of the statements that have been made in this debate to the effect that the East was paying for the western lines.

I would like to point out that included in the western division is a large section of Ontario. The western region comes east as far as Armstrong, Ontario, and we have two main lines running about 300 miles east, making a total of 625 miles from Winnipeg east to the eastern boundary of the western division. Then we have out in British Columbia two railways connecting the prairies with the Pacific coast, one running to Vancouver and one running to Prince Rupert, and the prairie lines, as I understand it, have to carry the expenses of a tremendous amount of mileage that is not at all necessary for the needs of the prairie provinces so far as getting out to Fort William and Port Arthur and to the Pacific coast is concerned. We have also included in this region the unfinished Hudson Bay railway and a line to Prince Rupert that is practically valueless until more facilities are constructed at the coast. And then we have about 600 miles, about 300 miles each of the Canadian Northern and the Canadian National Railways, in the province of Ontario.

Mr. MEIGHEN: What line is it going west, out through the mountains, that is unnecessary?

Mr. KENNEDY (Edmonton): So far as traffic is concerned the one to Prince Rupert is not necessary at the present time. It was built far ahead of the needs of the country and its maintenance is saddled on to the business that develops on the prairies.

In connection with the Superior division, the ex-Minister of Finance (Sir Henry Drayton) was at one time Chairman of the Board of Railway Commissioners, and in his judgment in connection with the western rates case, speaking of the Lake Superior division, Canadian Railway cases, volume 17, page 157, he said:

> This division running as it does in great part through a wild and practically unsettled country, accompanied with great operating difficulties and with, of course, the lowest production of local tonnage per mile of line of any part of the C.P.R. nevertheless is shown to make good return.

In spite of the fact that we have that costly construction to the west through the mountains and the costly construction east through the Superior division we have the prairie provinces developing a tremendous amount of traffic and contributing to make both of these comparatively profitable.

We have heard a number of times that if there was any possibility at all of the railways in Canada ever making good, the coming into effect of the Crowsnest pass agreement practically made that impossible. I take it that the suggestion behind the statement was that the railways were once an asset but that from that point of view their value was now very doubtful. I have here a statement furnished by the Bureau of Statistics showing the gross revenues and net operating revenues of the Canadian Pacific and of the Canadian National for 1921, 1922, and 1923. For 1921 the gross revenues of the Canadian Pacific, by months, were as follows:—I will not give the odd thousands:

	Millions
January	14
February	13
March	14
April	13
May	14
June	14
July	16
August	17
September	19
October	22
November	18
December	15

Now, the business that accounts for the increase in the gross revenues is, of course, the grain business from the prairie provinces. But the operating revenues are comparatively low right up to the month of August. These are the figures for the Canadian Pacific, in 1921:

January	$ 717,000
February	870,000
March	2,000,000
April	2,000,000
May	3,000,000
June	3,000,000
July	2,000,000
August	3,000,000
September	4,000,000
October	6,000,000
November	4,000,000

Not only is the net operating revenue higher in the grain moving months, but it is higher in proportion to the gross revenues of the railway. I do not want to take up too much time to-night; I am not going to give the figures for all the years, but I want to take particular notice of 1922, the year in which the Crowsnest pass agreement, affecting the rates on grain and flour, came back into effect. In that year the gross revenues for the Canadian Pacific were as follows:

	Millions
January	11
February	11
March	14
April	12
May	13
June	14
July	14
August	16
September	18
October	23
November	21
December	17

The net operating revenue for 1922 up until the end of August was not higher than $2,900,000. In september it immediately jumped to $4,500,000. In October it jumped to $7,700,000, almost 25 per cent net. In November it was $6,700,000 and in December it went back to $4,000,000. In 1923 we have a bigger crop and a still better showing.

Now let us come to the Canadian National Railways. The gross revenues during 1921 were as follows, by months:

[Mr. D. M. Kennedy.]

	Millions
January	17
February	15
March	16
April	14
May	14
June	14
July	15
August	17
September	18
October	19
November	19
December	17

For the months of January, February, March, April, May, June and July there was an operating loss running from $400,000 up to $3,500,000, but the months of August, September, October and November showed a profit running as follows: August, $1,379,029; September, $595,581; October, $1,954,633; November, $903,410; and then a loss again in December of $274,902.

In the year 1922 there was a bigger wheat crop, and starting in at $13,564,718 of gross revenue in January the returns climbed up gradually to $17,551,719 in August; $19,344,840 in September; $22,177,145 in October; and $20,725,300 in November; and back to $18,326,765 in the month of December. The months of January, February, March and April showed a loss running to almost an average of a million dollars. The months of May, June and July also showed a loss. There was a net operating revenue in August of $469,526 and, in September of $1,441,919. The gain in October was $2,931,266, and in December $3,472,129.

In the year 1923 there was in January a gross revenue of $15,596,858; in February of $13,220,698. Then in the following months gross revenues of $15,509,243 of $16,793,663, of $17,551,526, of $17,192,989, of $17,791,852, and then in August, September and October we have successively $18,584,990, $18,687,880 and $23,150,671; and $21,241,352 in November, and $19,595,358 in December.

In the months of January, February and March there was a net operating loss, the successive amounts being as follows: January, $805,410; February, $2,885,144; and March, $1,188,203. From that on there was an operating surplus, the amounts being as follows: April, $871,584; May, $964,436; June, $314,741; July, $765,742; August, $1,181,451; September, $1,125,167; October, $4,728,008; November, $4,094,048; and December, $2,760,625.

I have a statement here, but I am not going to read it because I do not want to take up too much time. It gives the total originating tonnage in the following commodities: Flour, potatoes, coal—anthracite, bituminous and lignite—coke, logs, pulpwood and lumber. I

have another statement with regard to originating tonnage of manufactured goods, but I shall not read that either to-night. I simply suggest that the statement I have given shows that the operating revenues—the gross revenues and the higher percentage of the net operating revenues—exists in proportion as the grain business increases in volume. I want to say that is my answer to the statement that the western railways are not paying their share of operating costs and are not the asset they ought to be to this Dominion. It is also the answer to those who say that the Crowsnest pass rates on grain are unfair to the rest of Canada.

We have been told by the hon. member for St. Lawrence-St. George (Mr. Marler) that the Canadian Pacific finances the railway on its own credit, and that it is not in the same sense a charge against the Dominion. For my part I cannot see any difference in the Canadian Pacific spending $20,000,000 in constructing a railway and the Canadian National Railways acting likewise. There may be a technical difference but no difference actually as the people of Canada are going to pay for both. I have referred on a previous occasion to the statement of the Board of Railway Commissioners wherein they say that the Canadian Pacific is going to have such rates as will enable it to pay its dividends. Now, whether it is a case of this parliament undertaking to meet the obligations of the Canadian National Railway system or whether it is one of the obligations of the Canadian Pacific being guaranteed by parliament through the Board of Railway Commissioners, the result is the same—it is the people who pay the freight rates and in the last analysis there is practically no difference between them. So long as the order in question stands there is every reason why we in this parliament should demand every particle of information regarding the construction of Canadian Pacific branch lines as well as Canadian National branch lines. I have here a statement of the aid given to the Canadian Pacific Railway in the early days when it was making a struggle in this new country, but I shall not put it on Hansard, it would occupy too much time and too much space.

There is another matter I wish to mention, and it is not new either to the Minister of Railways or the hon. members of this House. I happen to represent a constituency that is one-half of the province of Alberta. and we have just about one-third as much railway mileage in that constituency as there is in the rest of the province of Alberta. I have been after the Minister of Railways for two sessions in order to get a railway built from somewhere near Grande Prairie, from McLennan or some other point, to the Canadian National Railway system. I am very much disappointed that the minister has not been able to get this line included in his branch line programme. I know there are difficulties as to certain parts of the railway. However, some sections have been definitely located, and I do not believe we are going to build another main line through the mountains for some years to come. I have been anxious to see this railway built so as to connect up the Peace river country and the coal area with the Canadian National system. I should like to press upon the minister the desirability of doing something in that connection at the earliest possible moment.

I have here a copy of the Farm and Home published in Vancouver, British Columbia. It contains a few pictures, and one relates to a gentleman who went into the Grande Priarie country a number of years ago and invested $40,000 in farm land. Because a statement was issued some months ago that there would be no railway construction this year this gentleman has sold his forty-thousand-dollar, farm,—640 acres—as they call it, and is going to leave the country. Now, there have been those who have been advocating taking settlers out of that country, but to do that would cost more than to provide them with railway accommodation. Those settlers would be in a very favourable position if only the line in question were constructed.

Mr. MEIGHEN: I have no comment to make on the latter part of the speech of the hon. member. I mean the part in which he referred to the real lack of any very great distinction, in so far as the effect on the taxpayer of Canada is concerned, between the Canadian Pacific and the Canadian National Railway.

Mr. KENNEDY (Edmonton): Would the right hon. gentleman permit a question? When my hon. friend referred to the last part of my statement I thought he was going to allude to the railway the construction of which I was urging. Now, would my right hon. friend give me his support in that enterprise?

Mr. MEIGHEN: I was supporting the hon. member, and he did not seem to take to it very well.

Mr. KENNEDY (Edmonton): I do not recall that.

Mr. MEIGHEN: I hope my hon. friend will not expect me to support everything at

once. I am considering the propositions one by one.

With the control now exercised by the government, or more directly by the Railway Commission, over rates, the other great railway system becomes a public service and a national corporation, compelling the people to take an almost equal interest in the cost of its operation and everything connected with its management, as in the case of the National Railways. There is a distinction but not a vast one. It is not a distinction that in earlier times prevailed. Nor do I quarrel very much with him in his later remarks. I am not making criticism at the present time either at what is being done. I know something of the difficulties that confront an administration of this kind. I want to make some comment on what the hon. member said in the first part of his speech. He was inclined to complain of the treatment received at the hands of this House of the western branch line legislation. I have been a member of this House for a considerable time, and whether as a Conservative or a Progressive, I certainly see no reason to complain of the treatment by this House of these western measures. I have never seen more generous treatment on the part of the House of any measures whatever.

Hon. members to his right, of some of whose words he complained, have supported virtually every one heartily. None have we opposed, and I do not think the hon. member would suggest that it was for political reasons, because if we can gain any of the seats that are to be served by these branch lines, well there would not be many in the Dominion we would not possess.

Mr. KENNEDY (Edmonton): I was not complaining about the support, but with regard to some of the statements made as to the political considerations.

Mr. MEIGHEN: I will come to that phase of it. I do not wish to pose as a great authority on railway traffic, but I think I know enough about it to say that the problem is not quite so simple as it appears to be in the mind of the hon. member. He states that the returns brought down by the government as respects the National Railways in the Maritime provinces, or rather in the Atlantic division, show a loss of some $5,000,000 on operation. In the western provinces—that is the western division from Armstrong and Fort William westward—the returns show a loss of some $2,000,000, and in the central provinces, outside entirely of the more western Grand Trunk route, a profit of some $18,000,000. These figures are correct. In the western Grand Trunk territory I believe a profit of some $8,000,000 besides was claimed. These are the figures brought down by the government. I must emphatically say that a closer investigation of the returns makes it entirely impossible for me to understand the figures. I do not think they are correct, but I think proportionately they are about correct as between the different divisions. I do not think there have been those returns as respects what ought to be called operation and as respects everything that ought to be included in operation. I do not think those figures can be sustained at all, but that point does not arise at the moment. I have no doubt the proportions are correct. But the hon. gentleman says, "You cannot claim that you are losing money in the West and that it is our fault, because we have unnecessary mileage there in the way of far western outlets. We have three far western outlets to the Pacific, and these are more than are necessary." On being questioned to be specific, he admitted very frankly and perfectly correctly that the unnecessary one for the purpose of western outlet is the Grand Trunk Pacific. That may be true, and I believe it is, but we are dealing now with the relative burden, and it is equally true—far more than true—of the central division. In the central division, if the Transcontinental did not carry freight that would otherwise go by the more direct route into the populated part of central Canada, the loss on it would be simply terrific. The unnecessary mileage in the centre bears down as heavily there as the unnecessary mileage in the West, and the same can be said of the Maritime provinces. On the same principle you could not tax any division with its loss; but the trouble is that we have to tax them and we have got to sustain the road, so that the hon. gentleman's argument falls down. Then he comes to the rescue from another angle, and he says it is the grain crop of the West that pays. He says, "That is the crop that pays, so that we are paying sufficient." I do not say that we are not paying sufficient. There is no one who would be more anxious than I to get the rate lower if we could do so. Certainly every cent we take off is saved to the producer, and there should be nothing in the world left undone that would drive down lower and lower the western carriage freights, and especially the rate on grain. But to say that everything is fair to-day, or that rates have been too high, and to base that assertion on the argument of the hon. member is fallacious. He says, "Take the returns month by month, and you will find

that when the grain crop comes in those gross returns increase." Yes, the proportion of profit increases, but what in the world would you expect? That is when the business is done. These are the months in which the business is carried on. Undoubtedly, the more business you do over the same railway line, the more dense the traffic, unquestionably the greater the profit. For example, if we could ship grain out of the West, every month as fast as we ship it out in October, we could afford a much lower rate on grain. The grain rate would go away down, but it is just because it is of a seasonal character that we cannot afford to put the rate down. There has to be maintenance the year round in order to take care of this great rush of traffic in the two or three months.

Mr. KENNEDY (Edmonton): Mr. Lanigan stated last year before the Railway committee that the cars were not idle during the summer. I have the quotation here.

Mr. MEIGHEN: I would require to see the words and the context in order to discuss that. We all know that the great rush of traffic is confined to two or three months. There could not possibly be the same equalization during the rest of the year. I have talked to railway men both on the Canadian Pacific Railway and the Canadian National Railway, and I know that there are times, especially in the cold weather, during which all grain is carried at a loss, and necessarily so. But on the contrary, as against that, there is a profit during the rush season, and the whole thing has to be levelled up on that basis. The return has to be fixed. One could approach the matter from several other angles as well. I do not think I am breaking any confidence when I say that the claim as to loss is not confined to the one railway. The other railway still claims that grain had been carried from the province of Alberta throughout the entire year at a loss. We want to get things down to a common basis and to know what we are doing. We want to be fair to every part of Canada, but it seems to me that these returns do indicate that the West at least has no reason to complain and that there is no reason in the world to say to parliament, "You have been unjust to us". I come from western Canada, and I think I am as much a western man as the hon. member, but I say that hon. members have gone through that country, have complained of the treatment of eastern Canada, and have raised prejudices against eastern Canada and against this parliament without the slightest foundation at all, and to-day I am sorry to say this prejudice exists in a measure that I for one as a Canadian deplore.

Mr. FORKE: Did the hon. gentleman read the speech lately by the vice-president of the Canadian Manufacturers' Association about the western farmers?

Mr. MEIGHEN: I have not read it, but I have read speeches of eastern men that are equally to be deplored.

Mr. FORKE: I do not think you can beat it.

Mr. MEIGHEN: Perhaps not, but hon. gentlemen should take care that they do not provoke it, and if there are those who are guilty of that offence—

Mr. FORKE: Not guilty.

Mr. MEIGHEN:—it is hon. gentlemen to my left. They are not so guilty in this House as they are out in western Canada.

Mr. FORKE: That is not fair, now.

Mr. MEIGHEN: If it is not fair, I am the one that knows it.

Mr. KELLNER: Does the right hon. member remember the speech which he himself made in the last election campaign about a certain part of Canada being more loyal than some other parts?

Mr. MEIGHEN: I do not remember because it was never made. That exists only in the imagination of my hon. friend, or perhaps it was produced by the imaginative pen of some critical foe.

Mr. KELLNER: Did he ever read in the papers a report to that effect?

Mr. MEIGHEN: I have read some very strange reports, even reports that represent themselves to be statements by hon. members to my left. All I want to say is that nothing to justify in the faintest possible respect the statement which the hon. member has attributed to me from the press was ever uttered by myself. He will find, as he goes on in public life, that perhaps he will suffer from some of this kind of thing himself. All I rose to say was this, that the case is not established that there is too high a rate merely by showing that you make a profit during the heavy traffic on grain. Not at all. It is, the hon. member thinks?

Mr. FORKE: I do.

Mr. MEIGHEN: I am afraid my hon. friend will have great difficulty in convincing any who have to do with this subject and

who have made it the study of their lives. I wonder how hon. members would like to have imposed on them and their constituents rates that are imposed to-day on their competitors to the south for the carriage of grain. I fancy that is about what would result if any of this talk that we sometimes hear about secession eventuates in fact. I do not myself see anything else that could result, and as one who has given some study to this matter, I heard yesterday morning that the rates to the south that are there borne by the producers of grain—

Mr. KENNEDY (Edmonton): What about grain for export?

Mr. MEIGHEN: In so far as they have to be borne for the carrying of export grain, their proportion is necessarily much smaller. Those rates if applied to western Canada would mean an increase of twenty-two to twenty-five, or possibly thirty million dollars in the carriage of a crop equal to the crop of last year.

Mr. KENNEDY (Edmonton): Are the grain rates across the line not very largely domestic?

Mr. MEIGHEN: Yes, they are.

Mr. KENNEDY (Edmonton): How do they compare with British Columbia rates?

Mr. MEIGHEN: I wish they were domestic here. They will never be domestic here if hon. gentlemen to my left have their way. In so far as they are comparable with ours, they are so much higher that, if applied to our railways, they would impose a burden on the West of from twenty-five to thirty million dollars a year.

Mr. McBRIDE: It was not my intention to take any part in this debate on railway extension nor would I have done so had the hon. member for West Edmonton (Mr. Kennedy) not made some remarks in connection with the railroad into the Peace river country. When he made that statement in connection with the extension from the Grand Trunk Pacific starting at Brule to Grande Prairie, he failed to tell the committee that Grande Prairie has a railroad and elevators at the present time built by the Alberta government at the request of the people in that district, a railroad that costs the Alberta government in the neighbourhood of a million and a half dollars a year.

My reason for not intending to say anything on this subject just now was that that extension is under consideration by the Railway Board. Another extension is under consideration as well, an extension from Prince George into the Peace river block where this government owns 3,500,000 acres of land. The Alberta side of the Peace river country has a railroad extending from Edmonton to McLennan, another line that runs north and crosses the Peace river, one that runs east to Spirit river and another that runs down to Grande Prairie. There is practically a network of railways, and still they want this government to build another line from Brule into that section to take the freight that justly belongs to the Edmonton railroad for the benefit of the Canadian National road. On the other hand if an extension were built from Prince George into the Peace river country it would traverse a country of good agricultural land where there is no railway, where the people have no transportation not even by a road, and where the country is equally as good as that at Grande Prairie.

Mr. KENNEDY (Edmonton): It is quite true, as the hon. member for Cariboo (Mr. McBride) says, that there is a railway into Grande Prairie and one to the north into the Peace river. That road was built with the intention at some time of connecting it with the Canadian National, and we want to complete that connection at what we consider the best point and in the best way. It does not matter where this line is built, feeders will have to be built to the various parts of the Peace river country. Those will have to be developed no matter whether the line goes west through the mountains or south. The district of Pouce Coupe in the Peace river block will have to be served by a railway, but I believe this is the best method of providing railway facilities for the whole country, and I am advocating it for that reason.

9 p.m.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 61 respecting the construction of a Canadian National Railway line, being a joint section from Rosedale southeast only, in the province of Alberta.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals, and Telegraph Lines.

VICTORIA BEACH SUBDIVISION

Hon. GEORGE P. GRAHAM (Minister of Railways) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from a point on the Victoria Beach subdivision of the Canadian Northern Railway near East Selkirk, in an easterly and then in a northeasterly direction, to Pine Falls in the province of Manitoba; estimated mileage including existing grading, 44 miles; estimated cost, $1,100,000.

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

Mr. GRAHAM: The following is the memorandum I have concerning this line:

Pine Falls—Mile 0—44.	Cost
Proposed in 1924—44 miles grade..	$374,000
Proposed in 1925—44 miles track and ballast.	726,000
	$1,100,000

This branch as proposed will be 44 miles long leaving the Victoria Beach Subdivision near East Selkirk and terminating on the Winnipeg river near the Fort Alexander Indian Reserve. In 1924 it is proposed to do the grading of the 44 miles and in 1925 to lay the track thereon at an estimated cost of $726,000.

The construction of this line is conditional on a paper mill being built at Pine Falls.

One of the purposes of this branch is to serve a pulp and paper plant to be built on the Winnipeg river at Pine Falls. It will also serve a good agricultural country on the way besides shortening the route into the mining district now developing north of the Winnipeg river. The immediate terminus will be near a good crossing of the river so as to make it possible to readily extend this line when necessary.

When complete the proposed pulp and paper plant would supply immediately about 1,500 cars per year of their product, which will steadily grow with the expansion of this industry, besides considerable inbound freight of merchandise and other supplies. The local farm territory would also furnish considerable outbound business. The freight to and from the pulp and paper plant would not only be handled over this branch but would extend for distribution over the company's line to various points, therefore mean considerable long haul traffic to the railway.

I have been told that the construction of the paper mill referred to in the foregoing memorandum has begun, but I am not sure of that. Originally it was intended to build this line directly through the shortest route to the pulp and paper mill but the board after consideration concluded that the line should be extended, in the way set forth in the memorandum, to serve not only the pulp and paper mill but a good farming country as well.

Mr. MEIGHEN: Has the government, through the Department of the Interior, cruised or inspected the area carefully enough to see whether there is probability of any great amount of freight for any considerable length of time even if the mill is built? It is just possible that we might find ourselves with the railway in years to come with no pulp mill erected nor any lumber being used. That is the first question. In the second place, what is the actual condition of affairs in regard to the pulpwood? I understand that these are Mr. J. D. McArthur's interests. Has he managed to finance the business, and if so what concessions were made him?

Mr. STEWART (Argenteuil): So far as I know he has not been able yet to finance the undertaking. One of the difficulties is that in the area in which the mill is located there is only a possible supply of 800,000 cords of pulpwood, and that largely on a concession that was granted to him in the first instance. That, as a result of cruises that have been made, is the most recent information that I have from the McArthur interests in connection with the pulp and paper mill.

Mr. DOUCET: I do not want to offer any objection to this branch line, but inasmuch as references have been made to the alleged opposition of eastern members to western development, some suggestion having been made as to main lines that were not being used to great advantage, and comparisons having been drawn as between the gross revenue of the western section and that of the Atlantic region, I think I ought to tell the committee that the Transcontinental from Levis into Moncton, part of the line between Monk and Moncton being part and parcel of the Atlantic region, is not securing the traffic which it was intended to carry. For this reason the Atlantic region is unable to meet expenses. I should like to ask the Minister of Railways (Mr. Graham) a question regarding railway development in the county of Kent. The statement has been made that a branch line will be constructed between Buctouche and Richibucto which is a section of the country that needs railway facilities, not only to accommodate the people on the line but also to move agricultural produce and the products of the fisheries and the lumber industry between Richibucto and Buctouche as feeders to the main line of the Canadian National Railways. Inasmuch as members of the government have already expressed themselves in favour of that construction, my constituents have a right to know whether the government has come to any decision in the matter. I understand that the proposed line was very favourably reported upon by the engineers who were in charge of the work in 1919-20. It is true that in 1920 the then president of the Canadian National Railways, in view of the financial crisis that faced the country at that time and also of the fact that the government of the day was not recommending the construction of new branch lines, did not implement the report of the engineers. And in 1923 the present president of the Canadian National Railways, without making

any investigation, assumed that that section of the province had sufficient accommodation by water, which is not the case in one sense, since water facilities from Richibucto or St. Louis to St. John are out of the question.

The CHAIRMAN: I fear the remarks of the hon. member are hardly relevant to the question under consideration. He is making a detailed speech concerning a matter that is far removed from the subject of the resolution.

Mr. DOUCET: If I am guilty of any transgression, Mr. Chairman, my offence is only in keeping with that of my hon. friend from West Edmonton, who a short while ago was discussing a branch line that had nothing to do with the resolution then before the Chair.

Mr. GRAHAM: I am glad my hon. friend is so confiding. If he will look up Hansard in the years he has mentioned he will find that provision was made for twenty lines in 1919-20, which did not include the one he is advocating. However, that is a matter of memory or of research on his part. The transportation question in Kent county is one that has been before all governments, but up to the present the line my hon. friend suggests has not been constructed. There is a Kent Northern line, with a mileage of about 27 miles, owned by a private company, and while the matter has been before one or two governments the fact is that the people of Kent county themselves are not in agreement as to what should be done, whether the Kent Northern line should be taken over and rehabilitated or whether the branch line to which my hon. friend refers should be constructed. There has been a good deal of discussion and correspondence from the point of view of both these proposals. I had an interview with the gentleman who was acting for the Kent Northern, and while I thought the property was not a very valuable one I was considering with him the suggestion of making a proposal to parliament concerning it. However, we did not come to any terms, and these matters will all have to be considered. We can do only so many things at a time, and I can assure my hon. friend that the fact that he is here will not make a bit of difference, will not prejudice the investigation of the railway situation in Kent county.

Mr. MEIGHEN: The minister should not repudiate his colleague in that way. He must have forgotten what the Secretary of State (Mr. Copp) said in the county itself.

[Mr. Doucet.]

Mr. GRAHAM: As my right hon. friend knows, we read many things in newspapers with regard to what people are supposed to have said. However, I am speaking at present for the Minister of Railways and pointing out the difficulties that have been met with in the past in the matter of doing something for the county of Kent.

Mr. COPP: My right hon. friend referred to something I had said. I do not know just what he refers to—

Mr. MEIGHEN: I have the words here.

Mr. COPP: Taken from what?

Mr. MEIGHEN: I read it in the debate on the Address. The hon. member did not object then.

Mr. COPP: Well, I take my own time to object to it. What my right hon. friend quoted shortly after the opening of parliament was not what I said in the county of Kent; it was absolutely incorrect. My right hon. friend was, I suppose, misinformed in regard to that just as he has been misinformed in regard to many other matters in connection with his public career. I had the extreme pleasure of being in the county of Kent during the election that was held there, and I referred to transportation matters in a number of addresses I made in the county. I should have thought that the hon. member for Kent would have been quite satisfied with the result of the election without misrepresenting myself or any person else in regard to what had been said. I made no such statement as was reported in the Moncton Times in regard to the building of a railway or the taking over of a railway by the government. I mentioned a railway the construction of which had been talked about, from the town of Buctouche to Richibucto, a matter that had been before the public for a number of years and in connection with which suggestions had been made. I told the people decidedly and emphatically in the course of a number of addresses I made that I had not come there to promise the building of a railway because it took considerable time to give consideration to the building of any portion of a railway, even of short mileage.

The CHAIRMAN: I think it is my duty to tell the hon. member that this discussion has continued to be out of order through several courses.

Mr. COPP: I think, Mr. Chairman, that I should be given the same privilege as that extended to the member for Kent in discussing this matter, particularly in view of the fact

that a promise on behalf of the government to build a railway in that section has been attributed to me. I want to say to you, Mr. Chairman, to my hon. friend from the county of Kent and to the right hon. leader of the opposition, that I made no such promise in regard to the building of a railway or any portion of railway mileage in the county of Kent. What results may come from negotiations that have been proceeding between myself, the hon. Minister of Railways and Canals (Mr. Graham) and the representatives of the owners of the Kent Northern railway, remains to be seen. The matter has been under negotiation for some time. I quite agree with the member for Kent that this transportation question should be given consideration and I sincerely trust that before very long, in spite of the fact that it is he who is here representing that county, it may be considered favourably.

Mr. MEIGHEN: The hon. member's memory is very short. Nobody ever alleged in this House that he promised a railway to the county of Kent. That was never alleged by me in my address. I read distinctly what I attributed to him, and it did not promise a railway. It was the hon. member's habit to be conditional in his intimations; everything depended. I hope the committee will bear with me while I quote the words he used, so that no one will go away with a misunderstanding. They were given to me as having been taken down verbatim. I do not think the paper from which I took them was the one to which he refers, nor do I think that the hon. member, if he will listen to the words exactly, will undertake to deny them. His words were these:

Now, I want to ask you in all fairness, who will be your representative? Who will be more apt to get a more reasonable and fair consideration for you,—

The hon. member must recognize that the language is characteristic.

—Doucet, the Conservative candidate, or Bourgeois? It is to your very great advantage, and I believe it is your bounden duty, if you want better railway facilities for this part of Kent, to elect Mr. Bourgeois, who will co-operate with me and my colleagues to give the people of this county what they deserve and what they want.

Mr. COPP: I never made such a statement in the county of Kent, irrespective of where my right hon. friend got his information.

Mr. GRAHAM: Mr. Chairman, may I break up this little family affair?

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 62, respecting the construction of a Canadian National Railway line to Pine Falls in the province of Manitoba.

Motion agreed to, bill read the first and second times and refered to the select standing committee on Railways, Canals and Telegraph Lines.

HALIFAX AND SOUTHWESTERN RAILWAY—LOCKEPORT EXTENSION

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line from Lockeport station on the Halifax and Southwestern Railway to the town of Lockeport, in the province of Nova Scotia; estimated mileage including existing grading, 4 miles; estimated cost, $161,000.

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

Mr. MEIGHEN: Will the minister tell us as accurately as he can the estimated profits on running this road?

Mr. GRAHAM: I could not very well do that, but I will give my hon. friend the amount of business done at Lockeport station. I suppose that if this were a private road they would have the right to build this extension without going to the Board of Railway Commissioners or anybody else, and I suppose the Canadian National Railways could build it as a spur, because the Railway Act allows them to build up to six miles, but the board thought it best to proceed in this way. I have here a statement of the amount of business done at this point:

CANADIAN NATIONAL RAILWAYS

STATEMENT SHOWING EARNINGS AT LOCKEPORT STATION, NOVA SCOTIA

Year	Freight		Total Freight	Passenger		Total Passenger	Grand Total Passenger and Freight
	Inwards	Outwards		Conductors' Sales	Station Sales		
	$	$	$	$	$	$	$
1918.....	10,785	6,894	17,679	45	4,361	4,406	22,085
1919.....	10,808	7,284	18,092	48	5,584	5,632	23,724
1920.....	15,935	9,966	25,901	760	7,061	7,821	33,722
1921.....	15,551	11,412	26,963	815	5,905	6,720	33,683
1922.....	16,464	14,037	30,501	.....	5,340	5,340	35,841
Total.....	69,543	49,593	119,136	1,668	28,251	29,919	149,055

NOTE.—1918. Figures include from *May* to *December only*.
1919. Figures do *not* include *July* and *August*.

OTTAWA, ONTARIO,
April 8th, 1924.

This small branch is merely for the purpose of connecting this thriving town of Lockeport with the railways.

Mr. MEIGHEN: I have no desire to oppose this if the minister has evidence that it will pay. Will the minister say that in his belief this road will pay the cost of operation, to say nothing of interest on construction?

Mr. GRAHAM: I am not in a position to say that. In the construction of branch lines throughout the Dominion it is very difficult to outline a profit at the very beginning, but the building of a branch line into a territory where business is expanding develops business to a point where it will eventually pay, and this particular line will be a great accommodation to the people of this town as it will enable them to load their fish and freight at their own town instead of having to haul it four miles each way.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 63, respecting the construction of a Canadian National Railway line between Lockeport station and the town of Lockeport, in the province of Nova Scotia.

Motion agreed to, bill read the first and second times, and referred to the select standing committee on Railways, Canals and Telegraph Lines.

CANADIAN NORTHERN QUEBEC RAILWAY—CHINA CLAY BRANCH EXTENSION

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to provide for the construction of a Canadian National Railway line, being an extension of the China Clay branch of the Canadian Northern Quebec Railway to the town of St. Remi d'Amherst, in the province of Quebec; estimated mileage including existing grading, 2 miles; estimated cost, $105,000.

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

Mr. GRAHAM: The resolution explains itself. It is to provide for an extension of a small line of railway two miles into the town of St. Remi d'Amherst. With reference to the traffic, the deputy minister received a letter a day or so ago from the Singer Manufacturing Company, which I think would be of interest:

The Singer Manufacturing Company
Factory No. 5
St. Johns, P.Q., Canada,
76-77 Banque Nationale Building,
Rideau Street, Ottawa, Ont.
Ottawa, March 19th, 1924.

Mr. G. A. BELL,
Deputy Minister,
Department of Railways and Canals,
Ottawa.

Dear Sir:

In regard to proposed extension of the Canadian National Railway, from China Clay to St. Remi d'Amherst, and which was included with other extensions in one bill introduced in the Dominion parliament at the last session, and finally rejected en bloc by the Senate, we understand that your department this session is again asking parliament to sanction the construction of this extension, which, if judged on its own merits, there is no doubt but that the estimate would be passed.

2. The service as it now exists at China Clay is very bad, the siding is we understand a private one, subject to an extra charge to shippers, limited to four or five cars and very hard to approach.

3. The building of this short extension of 2½ miles will greatly facilitate the people in that part of the country doing business with your Company, it would also encourage them to deliver for shipment an increased tonnage.

4. Owing to having acquired all the standing timber on government lands lying west of the Rouge watershed, some 500 square miles, we are very much interested that your company provide shipping facilities at St. Remi. This season we have several small mills manufacturing some 2,000,000 feet of lumber, amounting to about 150 carloads, this will be available for shipment over the C.N.R. from St. Remi, providing a suitable service is given. During the twelve months ending July 31st, 1923, there were 343 carloads shipped locally from China Clay, and on which the shippers, we understand, had to pay a private siding charge of $3 per car. Judging from the amount of business obtained in the past, and prospects for the future, the shippers are entitled to relief from the existing conditions, and it is to be hoped that the merits of this extension will get the consideration they deserve from parliament.

In the past this company has received good service from the C.N.R. in connection with freight movements, and we trust that they will maintain their record at St. Remi.

Yours very truly,

TFE/B The Singer Manufacturing Company,
T. F. ELINITT.

I may explain, Mr. Chairman, that in connection with this enterprise some question has arisen with respect to a subsidy. That matter will have to be cleared up, I imagine, before construction begins.

Mr. FORTIER (Translation): I wish, Sir, to make a few remarks with regard to this resolution authorizing the construction of two miles only of railway. Comparing this resolution with similar ones which we have adopted, we notice that it will be the shortest branch line, and yet, it is one of the most important. It is the last resolution with reference to branch lines, and I must remark that in my opinion, it is the most necessary.

These two miles of railway will cost $105,000 and are an absolute necessity for the people of my county. This was acknowledged within the last years and already the company of the River Rouge had made an attempt to build these two miles so as to connect the line of the Canadian Northern from Quebec to the village of St. Rémi d'Amherst. The said two miles only extend the present existing line as far as the village of St. Rémi d'Amherst. It is actually not a new branch, but rather the completion of one of the most important railways and certainly the most useful for this region. The proof that these two miles are important, as just mentioned, is that there was an attempt during the last years, to connect the branch line of the Monfort Railway to the village of St. Rémi d'Amherst. This region and its surroundings are most important from the standpoint of farming, industry and mining. There exists in these parts numerous parishes settled since a great number of years, parishes that are thickly populated and that are at some distance from railways. It is true that the Canadian Northern line, at present the Canadian National, extends towards this region; however, there has never been up to the present a passenger service anywhere near the region of St. Rémi d'Amherst and the surrounding country. The terminus of the Canadian Northern, at present the Canadian National Railways, has always been at Huberdeau, and passenger trains only run on this line, to the village of Huberdeau.

However, about ten years ago, eight miles of railway were constructed, extending towards the county of Labelle. The latter line was only used for freight and especially for the operation of the Canadian China Clay mine, a well developed and prosperous porcelain industry, which was being worked at that time. However, although the eight miles of line are built, there is practically no freight service from St. Rémi d'Amherst and surroundings, and further there is no passenger service from China Clay to Huberdeau or on the remainder of the branch line of the Canadian National Railways. Now, by the construction of these two miles of line to the village of St. Rémi d'Amherst, you will practically put into operation ten miles of railway, in a district which is not at present served by any railway. In that territory, where are to be seen quite a number of parishes, having a prosperous farming population, there are no railways to be found along a considerable portion of it. The nearest railway is the Canadian Pacific, which follows the course of the Ottawa river; it is located at a distance of from 25 to 30 miles from St. Rémi d'Amherst. To the north, the distance is 20 to 25 miles in order to reach the branch line of the Canadian Pacific, which starts at Montreal and extends to the regions of Mont Laurier. It is, therefore, absolutely necessary that this district be provided with a railway.

I have already, on many occasions, expounded the excellent reasons which militate in favour of these two miles extension. I do not wish this evening, to go over the ground again; I shall just draw the attention of the Minister of Railways (Mr. Graham) to a few facts. In case there should be a sale of this branch line to the Canadian Pacific Railway—a sale which I do not desire, on the contrary, for I have already had occasion to protest—for reasons which I am far from admitting are well founded, although the government might consider that they are in the public interest, if the government decided to sell this branch line to the Canadian Pacific Railway, I would request that said sale take

place only on the well understood condition that the construction of these two miles of railway be carried out, so as to complete the branch line and make it profitable for the company operating it, and especially to afford to the central part of the county of Labelle, the advantage of possessing a railway which would be of service to it.

Mr. FAFARD (Translation) Will the hon. member allow me to ask a question? Are the electors of the county of Labelle in favour of this branch line?

Mr. FORTIER (Translation): Certainly, Sir, the electors of the county of Labelle are favourable to such a project, and I think that the aim of the hon. member's question, is to press me to further state with more emphasis that this branch line is necessary to the county of Labelle and that my constituents would gladly endorse its construction. A last advice which I shall give to the Minister of Railways regarding this extension of two miles, is this: There is, along these two miles, works which have already been carried out by the company of River Rouge. The latter, incorporated by authority of a prominent statute and having as its object the construction of a railway line along a distance of about 80 miles, from Grenville towards the northern part of the county of Labelle, this company had attempted to construct two miles of railway along the line to be built and had consequently started work at a place known as the Canadian China Clay, extending as far as the village of St. Rémi d'Amherst. I am aware that the Department of Railways could take no account of the work done previously by the River Rouge Railway Company, however, if it is possible for the Department of Railways to purchase on fair terms the improvements already carried out by said company, I would certainly approve of the department making the necessary advances so as to acquire such assets. These consist primarily in the location of the line, also, I think, in certain rights of way secured on part of those two miles and the grading of the roadbed. Consequently, the work done would be useful to the Department of Railways when constructing the said extension of two miles and would help to complete the work in the shortest time possible. Naturally, on acquiring these works the department could also stipulate that the money be not paid to the representatives of the River Rouge unless the farmers and labourers of St. Rémi d'Amherst and the country around Labelle are paid for their claims in connection with the construction work done on said two miles of railway. A few years ago when this work was undertaken by the River Rouge company, a number of people from St. Rémi d'Amherst and surrounding villages were employed by the company. They have certain claims against this company for wages and material supplied. The River Rouge company stopped the work and it seems did not settle all the legitimate claims of these people. It would therefore, be only fair that in the purchase which the department may make of the road, it should hold back a sufficient amount to settle all these people's claims.

One last remark, Sir, I entirely approve of this resolution as it provides for the construction of two miles of railway which are most important in a region that certainly deserves the government's consideration because these parts are completely deprived of means of communication. It is a vast farming district, very rich in natural resources, and these two miles of railway will be of great advantage, not only to this region but also to the National Railways for it will be one of the most paying branch lines of this road.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 64, respecting the construction of a Canadian National Railway line from the end of the China Clay branch to St. Rémi d'Amherst in the province of Quebec.

Motion agreed to, bill read the first and second times and referred to the select standing committee on Railways, Canals and Telegraph Lines.

SUPPLY

DEPARTMENT OF AGRICULTURE

The House in Committee of Supply, Mr. Marcil (Bonaventure) in the chair.

Cold storage warehouses, $30,000.

Hon. W. R. MOTHERWELL (Minister of Agriculture): The reduction in this item is accounted for by the fact that there has been much less demand during the last two or three years for cold storage, and that we are desirous of keeping our estimates down. The sum of $30,000 will, I think, take care of all the contracts we have entered into with the various plants throughout Canada. There is a plant at Sydney, Cape Breton, that has been under construction for several years. I had the opportunity of visiting this very excellent plant last summer. I think it is almost ready for business now. It is a well finished and well insulated building. We have another one in Quebec and another one in Prince Edward Island. These are the three we have under contract, and this sum we think will take

care of them. In the meantime we are not taking any more under contract for the present. These are established under the terms of the old Cold Storage Act.

Mr. SPENCER: Do these cold storage plants put up at the cost of the government pay their way? If some of them do not pay their way, would the minister tell the House which ones pay and which do not?

Mr. MOTHERWELL: I think possibly the hon. member who asks the question was not in the House last year when we went over this question very thoroughly. The government does not put up these plants. Under the terms of the Cold Storage Act, the government subsidizes them to the extent of 30 per cent of the cost of construction. This $30,000 is spread over four or five payments at different times, based upon progress estimates. After the subsidy is all paid we have the supervision of these plants. Whether they pay or not is up to the people operating them. This subsidy was originally designed with the idea of assisting them to become established. While cold storage is required in Canada, the public itself, until quite recently has not been educated, shall we say, or developed to the importance of cold storage. The result was that up to the time of the war the demand was comparatively limited. During the war there was a tremendous demand for cold storage on account of the necessity for keeping a large quantity of produce on hand for shipment. Since the war the demand has fallen off, with the result that a great many of these plants throughout Canada find it difficult sledding to make ends meet. I would not like to say that none of them pay, but they have a hard time. People are not demanding space. They feel like economizing and not using the space.

Mr. BOYS: Is the department under any obligation to repair, or is this vote for original construction?

Mr. MOTHERWELL: Original construction.

Mr. BOYS: No obligation to repair?

Mr. MOTHERWELL: No.

Mr. BOYS: The department has three original plants now.

Mr. MOTHERWELL: Yes.

Mr. BOYS: Did the minister state where they were?

Mr. MOTHERWELL: I did not quite understand the question. The three I have mentioned are under contract but there are some thirty altogether. One is located at Prince Rupert, and others scattered through Canada right down to Halifax.

Mr. BOYS: I am not familiar with the terms of the act. Are the proceedings leading to this subsidy initiated by private enterprise, or how?

Mr. MOTHERWELL: Yes. We are just proceeding under the provisions of the act. The bill went through last year and my hon. friend from Parkdale (Mr. Spence) will remember that he was not very uproarious about supporting it. The bill did not get past the other Chamber, and the result is that we are operating under the old act that does not make any reservations or restrictions about the kind of cold storage, whether they are municipal or private or co-operative or what they are. The plant at Sydney is a private one; the one on Prince Edward Island is private and the one at Quebec city is co-operative.

Mr. SPENCER: The minister told us a few moments ago that these are not under the control of the government. Under whose control is the cold storage at Montreal at the harbour? I was under the impression that that was under government control.

Mr. MOTHERWELL: The cold storage at Montreal is under the harbour board just the same as the elevators.

Mr. SPENCER: It is government owned?

Mr. MOTHERWELL: Yes. It is under the administration of the Harbour Board of Montreal. They own and administer it just the same as they do the elevators there. I know that within nine months of its opening, 75 per cent of the space was taken. I have not the figures here, but if it is patronised now as well as it was the first year, it is doing pretty well.

Mr. MacKELVIE: Has the minister received any representations from the Okanagan and Salmon river country regarding cold storage, pre-cooling plants for fruit?

Mr. MOTHERWELL: Yes, we had representations by a deputation. Mr. Mutrie and Mr. Bulman were here after the New Year, and while we cannot anticipate the supplementary estimates too much, there is nothing in this item for that and possibly there may be something in the supplementaries with regard to it. Last year we gave two grants for pre-cooling institutions, one at Grimsby and one at New Westminster. The one at Grimsby is doing excellent work for the fruit producers of that district. As regards

the one at New Westminster the parties to whom we expected to make the subsidy did not comply with the conditions and the subsidy was not paid out. At Okanagan, Salmon Arm and at one or two other places, I am pretty well convinced that if we can raise the money it would be a good investment to assist the fruit growers in some measure, on about the same basis as this, namely 30 per cent, and put pre-cooling plants in their fruit packing establishments. They have the buildings, and all that has to be done is to insulate the necessary space properly. With the tremendous rush of fruit on the market, every medium should be taken advantage of to dispose of the fruit at that season, whether it be by pre-cooling, refrigerating, drying or selling the fruit fresh, so that every method of taking care of the glut at that time should receive our consideration.

Mr. MacKELVIE: I am glad to hear the minister intimate that there is some hope in the supplementary estimates of doing something for that district.

Mr. MOTHERWELL: I am not making a definite promise.

Mr. MacKELVIE: I suppose the minister understands that it makes all the difference in the world as regards the shipment of apples to a foreign market if they are pre-cooled first. I should like to ask a question about dehydrating plants, although I understand that comes under another item. One was started at Penticton last year and it was burned down. I noticed in the store windows a few weeks ago some new wonderful exhibits of apples put up in cartons by the department here, and I believe a great industry could be worked up in our country if something is done to encourage it.

Mr. MOTHERWELL: We have an item further down for dehydration:

For experiments in the dehydration of fruits and vegetables, $15,000.

The amount last year was $10,500. I do not know whether we have quite decided to rebuild in the same place or not, but it is our intention to rebuild so as to serve that territory. In view of the large quantity of dried fruit that we import into this country and the large quantity of fresh fruit that becomes a glut on our market at harvest time, there is no reason in the world why a great deal of the fresh fruit that we find it impossible to sell should not be converted into the dried fruit of which we are importing so much.

[Mr. Motherwell.]

Mr. MacKELVIE: Has the minister placed on the market any of the product that has been put out by the department at Ottawa?

Mr. MOTHERWELL: Yes, it is on the market now.

Mr. SPENCE: It is a well known fact that the cold storage at Montreal has lost a great deal of money in the last number of years. Is it possible that the government does not lose some of that when it is subsidizing cold storages? The minister stated that it is paying well. I understand that it is not paying at all, and we want to get the facts.

Mr. MOTHERWELL: I told the committee that that did not come under this item. That comes under the Minister of Marine and Fisheries (Mr. Cardin). The estimate is submitted by the harbour board. I was merely saying that if we may judge from the space that is occupied, it ought to be doing fairly well. I have not been there for a year.

Mr. SPENCE: It does not come under this item?

Mr. MOTHERWELL: No. It does not come under my administration.

Mr. SPENCE: A few minutes ago an hon. member asked a question about the cold storage plant, and the minister said that he was not particularly interested; that it was a private concern. Are we not particularly interested to the extent of 30 per cent? We should want to see these plants pay rather than make a failure of their business.

Mr. MOTHERWELL: My hon. friend is straining a little bit.

Mr. SPENCE: No, I am pretty well posted on this job.

Mr. MOTHERWELL: I do not doubt that, but the subsidies, as a rule, are paid before you can tell whether they are going to be paying concerns or not. We take every precaution to begin with to see that they are placed in an area where they are likely to pay, to see that all the conditions of the contract are complied with. When the regulations and the law are complied with, we pay over the subsidy at some four or five different periods according to the terms laid down in the regulations. After that we are concerned with everything, but we have no responsibility.

Mr. SPENCE: But you have, you have given them so much money.

Mr. MOTHERWELL: Yes, we have that money there, and it was given as a subsidy without many strings to it. I should not say that such a plant is under our control; it is under our inspection, and the rates are only in a measure under our control. In last year's bill we had provision for subsequent control; the question was discussed for a long time in the Agricultural committee, and it was felt that after the last subsidy was paid there was very little control. The bill of last year provided for specific control even after the subsidies were paid; but that bill did not go through, and the result is that we are under the old act. There is some control but not the amount that some people think we should have.

Mr. SPENCE: I am not knocking precooling plants; I think they are an absolute necessity at points like those that have been mentioned; but I do not think
10 p.m. the minister should encourage private individuals to go into the cold storage business if he does not think they are going to make it pay, because people have lost thousands, yes, millions of dollars in building cold storage plants on account of having been encouraged by the government to go into that business. If the minister has not a real demand from somebody who knows something about the cold storage business, he should discourage or, perhaps, to put the matter more mildly, not encourage private individuals to go into the cold storage business.

Mr. MOTHERWELL: We have nearly cut the vote in two, keeping just enough to carry out the contracts already entered into, and we are not entering upon any new ones. The plant at Sydney will take the greater part of the money. It is about five years now since the preliminaries were begun in connection with the work at Sydney, the matter having had its inception before this government came in at all. We had nothing to do with it in the early stages, our duty now being simply to pay the subsidy. As regards the other two, the one in Quebec city is operated in conjunction with the Farmers' Co-operative Association of that province, while the one in Prince Edward Island involves only a small expenditure of $6,000. We are disposed to take my hon. friend's advice and I can assure him that we shall not enter into any new contracts under present circumstances.

Mr. BOYS: So long as the act is in force, any private enterprise or any municipality can erect a cold storage building and call upon the department to provide the subsidy mentioned in the act. While that legislation stands I do not see that the department can help paying the 30 per cent.

Mr. MOTHERWELL: We have of course the option of refusing it if we think there is ample cold storage facility already available. We do not want to repeal the act because we may find it desirable at some time to take advantage of its provisions when money is more plentiful. There has not been sufficiently satisfactory control over these institutions after the subsidy has been paid, and although we made provision last year to meet this difficulty the act did not pass the Senate, so that we are in the same position that we held before. The whole business is petering out now to such an extent that we do not think it advisable to amend the act.

Mr. TOLMIE: Does the department control the cold storage plants by regulation from the standpoint of sanitation, efficiency and so forth?

Mr. MOTHERWELL: Yes.

Mr. TOLMIE: To what extent?

Mr. MOTHERWELL: We have power by statute to make regulations but it is questionable whether that power can be legally exercised. For example, we can apply regulations, say, in Prince Rupert to control rates and to govern the period of time that goods shall remain in cold storage, and so on. But it is very questionable whether federal control in that direction can be exercised. At least that is the advice we have received. The regulations apply, for instance, to such questions as the authorized capital, the subscribed capital, and the rates for storage, which, as originally approved by the Governor in Council, shall not be increased without further approval by the same authority. There is also a regulation in regard to owners entering into special contracts with customers for the maintenance of temperatures other than those specifically provided for.

Mr. TOLMIE: If unsanitary conditions prevail, or if foodstuffs are destroyed, does the Department of Agriculture, or the Department of Health, exercise jurisdiction?

Mr. MOTHERWELL: I think the municipal law would apply in that case. We have had instances of the kind in Winnipeg and Regina and if I remember rightly the muni-

cipal health authorities ordered the destruction of the foodstuffs.

Mr. TOLMIE: I understand that the department has carried out a number of experiments with regard to the various temperatures maintained in the shipment of fruit in refrigerator cars. What progress has been made in that respect?

Mr. MOTHERWELL: In the shipment of fruit from Grimsby west large quantities of ice are used in the chilling of cars, and I believe that it has been decided to recommend the construction of some special cars for the purposes of refrigeration.

Item agreed to.

Fruit, $182,000.

Mr. BOYS: What are the details of this item?

Mr. MOTHERWELL: This vote is largely consumed in inspection work and marketing.

Mr. MacKELVIE: Was it all expended last year?

Mr. MOTHERWELL: I think so. It is well to have a little leeway, but we do not exceed the vote.

Mr. BOYS: What proportion of the vote is used in salaries of inspectors and other officers?

Mr. MOTHERWELL: Between 80 and 90 per cent. Apart from the vote for compensation under "Health of Animals", the fair grants and cold storage, practically the whole body of the agricultural vote is used in salaries for inspection, education, or other work of that nature. The salaries amount to about 85 per cent.

Mr. MacKELVIE: Have there been any complaints in regard to the inspection of fruit in British Columbia?

Mr. MOTHERWELL: We have not had any reports of complaints. We shall be very glad to hear any.

Mr. MacKELVIE: I am glad to hear that. I quite believe that the reason you have not heard any complaints is that the work is carried out in a very excellent manner. I have no doubt that the chief inspector there, Mr. Clarke, is about as competent a man as the department could find if they searched Canada from coast to coast. As one who is very thoroughly conversant with the situation out there, I am very glad to bear that testimony.

[Mr. Motherwell.]

Mr. MOTHERWELL: That is gratifying. We do not get very much of that and I suppose I should express my appreciation of it. My hon. friend will be interested in the investigational work conducted by the experimental farm out there in connection with the Jonathan apple, which in the last few years has developed a disease which has the effect of darkening the apple and breaking it down. The experimental farm carried out experiments in co-operation with the growers with a view to finding out something about this disease; they had the idea that it had something to do with the time that the apple was harvested. After experiments over some eight or nine different periods, starting with the earlier periods and following along later into the season, it was found that up to about the sixth period the apples kept well but when left on the tree after that they broke down. The experts have been unable to define exactly what the disease is, but it has been found to be associated with the time of harvesting, and the solution is to harvest the apple early.

Mr. MacKELVIE: Would there not be some trouble in regard to grading if the apple was taken so early as to preclude danger from this disease?

Mr. MOTHERWELL: No, you can have it sufficiently mature to grade and to keep, but it must not remain too long on the tree. That is a matter of judgment.

Mr. MacKELVIE: Has the department any reports concerning a similar rot in McIntosh Red apples?

Mr. MOTHERWELL: No, It has been confined almost entirely to the Jonathan apple.

Mr. SPENCE: Is there any marked improvement this year in the keeping qualities of the Jonathan apple.

Mr. MOTHERWELL: Oh yes. A year ago we were entirely in the dark.

Mr. SPENCE: You claim now to have discovered the cause for the rot?

Mr. MOTHERWELL: Yes, and, by the way, that discovery can be attributed to the experimental farms.

Mr. TOLMIE: About what amount of early soft fruits and vegetables are imported from the United States?

Mr. MOTHERWELL: Is my hon. friend suggesting that a good many of them come in? Yes, a lot of fruit and vegetables come in from the south before ours are ripe. Has my hon. friend any suggestion as to how we

can ripen ours sooner or how we can satisfy the appetite of our people in some other way until our own product gets ready for the market?

Mr. MANION: Put up a good tariff.

Mr. MOTHERWELL: I was just wondering if that was it. If I were a fruit grower I suppose that would appeal to me a little more than it does now. As a matter of fact there is a substantial tariff on these articles. I see my hon. friends from over the way pricking up their ears at the suggestion of increasing the duty on fruit; they are the great buyers—the home market, if you like—for the fruit of British Columbia. I frankly admit that I would like to see something done to keep our market for our own fruit, provided that the price to the consumer was not increased.

Mr. MANION: If my hon. friend would look a little more in this direction instead of always looking in the direction of my hon. friends to my left, he would probably agree with more of our suggestions.

Mr. MOTHERWELL: Oh, I am not getting squint-eyed at all; I am keeping track of both. If my hon. friend has any method to suggest whereby we can keep out other fruits or vegetables without raising the price to the Canadian consumer, I shall be pleased to consider it and perhaps to make a recommendation in regard to it to the Acting Minister of Finance the next time he comes down with his budget.

Mr. TOLMIE: The growers of early fruits and vegetables in Canada have suffered a good deal of loss on account of the people to the south of us being able to produce these articles earlier in the year, so that by the time the Canadian fruits and vegetables, strawberries, early potatoes and so on, are ready for the market the palate of the people has been largely satisfied by the imported articles and the farmer does not benefit by the higher prices. These goods that are brought in from the south, grown in Carolina, Florida, California and other places, are sold at very high prices. They are luxuries, because they are out of season, and as it is agreed that it is a good thing to tax luxuries under certain conditions my hon. friend might find in that a means of getting revenue. It is a well known fact that during the tree-planting boom in the western States, particularly in Washington, Oregon and Idaho, a great many areas were over planted, and in their large home market, found in centres of considerable size such as Chicago, Boston, Philadelphia, New York and other places, they are able to dispose of their best grades of fruit, nicely put up, at high prices, and they are able then to slump off their poorer grades in this country, much to the disadvantage of the Canadian grower. It would seem that until such time as the fruit growing industry of this country is able to get on its feet it requires a little protection. I understand that there is no duty on the citrous fruits, which are also a competitor with locally grown fruits,. May I ask how far the dumping clause has been applied with regard to the importation of these fruits from the American side?

Mr. MOTHERWELL: The Minister of Customs (Mr. Bureau) is not here and I would not like to give any information offhand without being sure of it. I understand, however, that the dumping clause has been applied in such cases; it may even be applied to articles that come in free. As to the other question that my hon. friend has raised, it is worthy of perhaps fuller consideration than it has ever been given. I have had an opportunity during the last few years of visiting the orchards of Canada, an opportunity that I had not had before. I had often heard of the Annapolis valley, and it was a real treat to go through that country in harvest time, or in blossom time. I was in Niagara in blossom time, and in British Columbia the year before at harvest time. In endeavouring to find a solution we must remember that a straight duty always puts the price up to the consumer. I may say that in view of the dumping and other conditions in connection with inportation it has been a little more difficult for foreign fruit to get in this last two years, particularly this last year, and we have heard no criticism from the prairies about it. I would not like to see it get to the point where there would be criticism because you are establishing friendly business relations with British Columbia, trading back and forth, and therefore I would look in some other direction for a solution than simply a straight jacking up of the duty, which would only mean a higher price to the consumer.

This suggestion has been made. Let us take 100, for convenience, as representing the tariff. It has been suggested that during the three months when the early fruit and vegetables are coming in, and before ours is on the market, the tariff might be put up to, say, 125, and during the other ten months of the year be put down to 75, making an average of 100. I do not know whether it is workable or not, but it might help to solve the situation. Then the man who felt that he could afford to buy the early fruit and vegetables would

pay a duty of 125, we will say, and the man who felt that he had to wait for a lower price would get his fruit in on a 75 duty. There is one objection to that, and it is that you are discriminating against the poorer man. Why should he not be able to buy early fruit and vegetables just the same as the wealthy man? That merely shows that there is no perfect solution, and all you can do is to accept a solution that presents the minimum disadvantages and the maximum advantages. I think that solution suggested is worthy of consideration. I do not know whether it is workable or not, because it would involve changing the tariff twice a year. The tariff would be kept up at 125, let us say, while the early fruits and vegetables are coming in until perhaps the 1st of July, till ours come on the market, and then drop to 75, when the great mass of the public would buy their fruit and vegetables at the lower rate, and at the same time it would not prohibit those who felt they could afford to buy the early fruit and vegetables at the higher price from doing so. That is only one suggested solution. I do not know whether this discussion is in order, Mr. Chairman. The Department of Agriculture may have views on this subject, but they are not considered authoritative or necessarily expert.

Mr. BEAUBIEN: May I help out the minister? I would throw out the suggestion to him and to the ex-Minister of Agriculture to tell the fruit growers of Canada just what they told the farmers of the prairie provinces, to go into mixed farming. I think that would help them out.

Mr. MOTHERWELL: I have been suggesting that, and I think they are going into poultry raising, because you see poultry running in the orchards.

Mr. MacKELVIE: It is a good deal easier to offer advice of that kind than to show the fruit farmer in British Columbia how he is going to adopt it. He has a ten or twenty acre orchard perhaps, bought at high prices, from $250 an acre upwards, and he has to get a high priced crop to begin to pay the interest on his investment. He has to pay high irrigation charges, from $10 an acre upwards, and he has to pay continuous costs, for pruning, spraying and so forth, and on a ten-acre farm there is very little chance of his doing much of a mixed farming business. He does keep a few poultry, as has been said, but I think his situation is certainly deserving of far more serious consideration, and I think a little more sympathy from certain elements in this Dominion and in this House than it has received. We have in British Columbia something over $40,000,000 invested in the fruit-growing business, and in the last three or four years these men have had a very discouraging path to tread. I do not suppose that last year they got more than half what it cost them to produce their apples. The average price for the crop of last year would be 50 cents a box, and it would cost on the average throughout the fruit-growing sections of British Columbia anywhere from 75 cents to $1 a box to produce that fruit, and it is small encouragement to the man who has his all invested in that business to tell him that he must pull up his trees which he has planted, and which have taken six or seven years to come into fruition and go into mixed farming. Any encouragement that can be given by the Department of Agriculture and by the Minister of Finance towards fostering and keeping alive a business which is engaging the attention of a large portion of the population of British Columbia, and of the very best class of our population, is certainly deserving of the serious consideration of this House.

Mr. TOLMIE: I anticipated the suggestion from my friend to my left, that we should advise these men to go into mixed farming. I remember going down the Okanagan valley at a time when it was being changed from a cattle-ranging country into a fruit-growing country. Along with me was a very glib talker from Spokane, Washington. We were doing missionary work in connection with farmers' institutes. My business was to speak first at all these meetings. He was more experienced than I was, and I fell for it, and acted as a sort of house warmer for him at all our meetings. I preached chickens, eggs, hogs, and mixed farming in all its branches to these people, but they would not listen to me. They were all anxious to hear this other man who told them about the ten-acre farm and the big red apple, and the tremendous market for that apple. They could never grow too many. If they could not sell them on the Canadian side, they could sell them on the American side, and even across the water in the Old Country. I remember fifteen years later meeting the same man again at an irrigation convention at Penticton at the lower end of the Okanagan lake, and this time he was preaching to them: "Don't keep all your eggs in one basket; keep a few hogs, keep a cow, keep some chickens, and grow your stuff on the side." "Why," I said, "what is

the matter? You have changed your tune entirely." "Oh," he said, "conditions have changed."

I quite agree with what my hon. friend has said, that if they had gone in for mixed farming and grown fruit on the side they would have been in a safer position than they are in to-day. However, I think that now they are located there, and I feel the minister is anxious to assist them in every possible way, we should try and meet their problems, just as we should try and meet the problems of our friends on the prairies, and the problems of our friends in the Maritime provinces, for we are not going to have a real good Canada until we have done everything we can to meet the problems of all these people, in an endeavour to unite them and make this one great country.

With regard to fruit growing, there is no question at all that we can produce the very best in the world, and I think perhaps one of the best means of helping out these men is to assist in every way possible with cold storage facilities, and also in the development of our export market. I would ask the minister to give us a little description of the exhibit of fruit which he proposes to have at the big exhibition in London this year.

Mr. MOTHERWELL: As a preliminary, and without making it too long, I might say that an investigation made by members of my staff when they were over there last year goes to show that our fruit stands the highest of any on the British market, our fruit and our storage eggs. Those are the only two things in which we take the top-notch place. Last year again we took the sweepstakes for our fruit at the Manchester Fruit Exhibition. Now, having these victories to our credit we feel more encouraged to put up a good exhibit at the British Empire Exhibition which, of course, will consist of this year's fruit. We are going to put on the very best we can. We have one of the finest collections of grass seeds that has ever been brought together on this continent, and we have the best exhibit of tobacco leaf that the Canadian counties engaged in tobacco growing will produce. We are going to do the same thing for fruit. I cannot give any details until the arrangements are completed, but we shall exhibit apples, and peaches and pears. Of course, great care will have to be taken in the selection of the varieties. I understand the exhibition will last for six months. At any rate it will be open sufficiently long to enable us to get fruit from Canada to London in time.

Mr. TOLMIE: I may say that I attended the Royal Show held in Derby in 1921, and South Africa displayed there a magnificent exhibit of all kinds of agricultural products, and in addition a very fine showing of fruit. I think on this occasion when our fruit will be exhibited in competition with fruit from all other parts of the British Empire, we should spare no effort to make the show one of the best we have ever put up.

Mr. MOTHERWELL: Either do that or keep away altogether.

Mr. TOLMIE: Yes.

Mr. MacKELVIE: Who will be in charge of the fruit exhibit?

Mr. MOTHERWELL: We have a represenative over there, he is really an appointee of the Department of Trade and Commerce. Mr. Forsythe Smith will be one of the gentlemen, and Messrs. Rhodes and Nunnick the other two. We will have these three, and I do not know that we shall require the services of any more. Mr. Smith is over there permanently as fruit expert.

Mr. MacKELVIE: I am aware of that but I understood that a gentleman from British Columbia, Mr. F. R. E. DeHart of Kelowna, was to take charge of the exhibit.

Mr. KELLNER: A number of hon. gentlemen, including members from British Columbia, have asked the minister to help out the fruit growers in that province. I should like to know from the minister how he is going to do that. We from the prairie provinces have had the experience of paying considerably more than is necessary for British Columbia apples, and more than we pay for apples shipped from the United States. The British Columbia growers also have the privilege of supplying our market without paying any duty. I think the tariff on imported apples is about thirty cents a box. In addition the British Columbia growers have the advantage of better freight rates and still they cannot compete with the American apple. If the minister can devise any other way of helping the British Columbia growers out when they enjoy such an advantageous situation as that I should like to see it outlined.

Mr. MOTHERWELL: I have already mentioned a number of ways in which we are helping them out. We are doing that by means of dehydrating plants, and then we are establishing pre-cooling plants. That is one way of helping rather than boosting the duties. I may say this: Unless one has been very

closely in touch with the fruit industry he knows very little of what it means to enter a market just hungry for early vegetables and fruits, and then arrive on that market two months later when it is saturated with these products. It is the latter position that we are in. I am not going to bite at the suggestion that we run up the duty, not at all, but I do say that we should do pretty nearly everything else we can think of, because our growers labour under a tremendous disadvantage in regard to early vegetables. I made a suggestion as to an adjustment that might, unless it disturbs the trade or is utterly impracticable, meet the situation without raising the general tariff. It is that the duty should be greater at one time where the wealthy are concerned and lower at another time in the interests of the average man. I may say that there are exhibits outside of Canada which are administered by the Department of Immigration. These are intended to promote immigration and I believe are in charge of Mr. Tolmie, with whom is associated Mr. DeHart. We have a big enterprise under way, but I understand from my deputy that it is not quite ready for announcement yet. It provides for very expensive practical advertising of our dairy products by keeping them before the public. However, I had better not reveal any more with respect to it, otherwise I shall disclose all the details.

Mr. BOYS: What is the estimate for that advertising scheme?

Mr. MOTHERWELL: We hope it will largely carry itself.

Mr. BOYS: Yes, ten years hence.

Mr. MOTHERWELL: We hope the enterprise will largely pay for itself. The scheme is not completed yet. Of course no plan that I know of that the government enters into entirely carries itself. If you are out for education you must expect it to cost you something. There will be little losses here and little losses there, but if the scheme reaches fruition I do not think there will be any cause for complaint. The details are almost complete. At least I thought they were or I would not have mentioned it. I am trying to find a place to get out now in view of my premature announcement. Seriously, I do not think the plan is going to cost the government very much.

Mr. BEAUBIEN: I received a letter—which unfortunately I do not have in my hand at present—from Mr. Burns, secretary of the Western Canada Fruit Shippers' Association. He told me in the letter, and I have his permission to mention it, that one of the reasons why the apple growers of British Columbia find themselves in the position they are in to-day is because they are very poor business men. He claims that they have the advantage of a duty of thirty cents a box. He mentioned Edmonton as the point at which they have an advantage of thirty cents a box duty on American apples, and an advantage of 16½ cents a box in freight. He told me the reason the apple growers in British Columbia are in such a position is because they hold their apples for a higher price and do not sell them at the right time. He tells me in his letter that they are the poorest business men with whom he ever came in contact.

Mr. MacKELVIE: I desire to tell the hon. member and the members of the House generally that if there is one class of agriculturist or horticulturist, engaged in the cultivation of the soil in Canada—

Mr. BEAUBIEN: May I interrupt to say that the statement I made did not originate with me, the words I cited are those of Mr Burns.

Mr. MacKELVIE: I quite understand But if there is one class in Canada that possesses more than ordinary ability it is the fruit growing class, and especially that in British Columbia. The United Farmers and the wheat growers of the western prairies attribute what little degree of success they may have had to co-operative work among themselves. And I will tell them, and will inform the House, that in the fruit-growing sections of British Columbia there is the finest organization of a co-operative nature for handling fruit that possibly exists in Canada. Last year, which was the first year of their operations, they succeeded in building up without a dollar of capital a four million dollar organization. They have contracts from growers covering about 80 per cent of the fruit growers of the Okanagan, the Salmon river and the Kootenay district. I think this should appeal to hon. members from the prairie, as here is an opportunity for them to assist in the co-operative business for which they stand so firmly. I do not believe the gentleman quoted by the hon. member who last spoke was well informed. I know that some of his statements will certainly not bear investigation. These men are not holding their apples to get a price. From the time the apples are ready to be plucked they are anxious, and they are pushing ahead, to get them into the market. Hon. members will understand that when we went into the fruit

growing business in British Columbia on a commercial scale the prairie provinces were absorbing two or three hundred thousand immigrants a year, and it looked as though the market would keep ahead of the production, but such has not turned out to be the case. We have had to push forward for markets all over the world. We sent apples to England last year, and for the first shipment we got good prices, but the next shipment was a drug on the market. The fruit from Washington and Oregon arrived at the time ours got into the market, and we got poor prices for most of the fruit sent to Great Britain. We send shipments to New Zealand, South Africa and to Scandinavian countries, and we are continually reaching out all over the world to find markets to absorb the production which is increasing. A great many of the orchards are still far from mature bearing age, and it is becoming an increasingly hard problem every year to know what to do with the production which has increased so rapidly during the past few years. I am sorry that any statement stigmatizing the fruit growers of the Okanagan valley as the poorest business men of the country should be uttered in this House. I think it is a slander upon them, and I am absolutely certain they will compare favourably as to their business ability and agricultural qualifications with any class in Canada.

Mr. KELLNER: I quite agree with the hon. gentleman who has just spoken that from one angle they possibly excel any business organization in Canada. I do not know of any other organization that has made the extreme use they have of the dumping clause. I think in that regard at least they probably excel any organization in Canada. No doubt they are also very adept at making use of our customs tariff and several other things, but I think that their undertakings are wholly on a different line from those of the grain growers. For instance, they go out, without asking any help of that nature, into the markets of the world and try to establish their business.

I would ask the hon. minister to allow this item to stand. I have considerable matter to deal with, and I did not expect it was coming up tonight; therefore I am not prepared to offer my suggestions for the consideration of the committee. I would appreciate it very much if the minister would allow this item to stand till a future sitting of the committee.

Mr. MOTHERWELL: We have only passed one item. I would like very much to get one more through, and I think the committee will give my hon. friend all the latitude he desires on any item, because perhaps he may not be in the House the next time this item is called. Occasionally such a thing has happened. If he will be good natured and let the item go through, I will be equally good natured and let him present his information on any other item, and I am sure the committee will consent to that. We have had a very interesting and, I hope, useful discussion, but I would like to make some progress.

Mr. COOTE: I think the minister is a little bit over-anxious. He has done extremely well to get one item through so soon, because we have sometimes spent a day on one item, and in case I might not be here on a future occasion, as the minister has suggested with regard to the hon. member for East Edmonton (Mr. Kellner), I would like to put on Hansard part of a letter which came to me from the Western Canada Fruit Jobbers' Association. The matter has been referred to so often here tonight, that I think this is the proper time to place the matter before the committee. This is in reference to the luxury tax on fruit. A resolution was passed at the annual meeting of the Canadian Horticultural Council asking for a luxury tax on fruit. I will read part of the letter, as follows:

> If you will investigate the present duty on fruits you will find that apples carry 30 cents per box; sweet potatoes 30 per cent; all vegetables 30 per cent; melons 3 cents each; cantaloupe 3 cents each; peaches 1 cent per pound, weight of package included; plums, apricots and pears ½ cent per pound; grapefruit $1 per hundred; grapes and all berries 2 cents per pound.
>
> Any luxury tax asked for on fruit shows a lack of intelligence and an impertinence on the part of those making the application. It also demonstrates just how far they might go in asking for protection.
>
> For instance, cantaloupes grown in Ontario are seldom seen in the West, Winnipeg being as far west as they come due to poor carrying quality and lateness of season. This duty was put on to satisfy a few growers in the Niagara peninsula, and the rest of Canada must pay. It is very questionable if there should be any duty on most fruits to-day, especially in western Canada, where none are grown and where the importations are not in competition with the Canadian grown products, either in British Columbia or Ontario.
>
> To demonstrate the absurdity of a luxury tax on all fruits and vegetables, we know that British Columbia could consume all peaches and apricots produced in British Columbia as well as pears. The coast jobbers sold in 1922, 34,222 boxes of pears; 104,501 boxes of peaches and 55,823 crates of apricots, and it was necessary to import some from the United States for their market, so this alone clearly indicates the senselessness of any application for a luxury tax.
>
> We venture to say that nine-tenths of the fruit and vegetables sold in western Canada, outside of apples, must be imported, if we are going to keep the people supplied.
>
> The luxury tax is only increasing the burden on the consumers. Bartlett pears last for two months, while we only have the British Columbia product for 10 days

and at the most, three weeks. Apricots from British Columbia were not available for more than a week last year. Vancouver ordered 10 cars of peaches last season and could only get delivery of five. British Columbia Granvenstein apple circular No. 4, of August 4th, 1923, from Associated Growers, Vernon, stated they had not sufficient to make straight cars. Their plum circular of August 3rd, 1923, stated "Not enough for mixed cars".

As shown above there is not the slightest justification for a further tax or duty on fruits or vegetables.

We have a letter from the Customs and Excise Department, Ottawa, stating that whenever the selling price of goods from United States, to the purchaser in Canada is more than 5 per cent below the fair market value of the goods for home consumption the import is subject to the dumping duty.

The fair market value, this year, for home consumption in the United States as set by the growers in British Columbia on C. grade apples, was $1.10 and the jobbers were assessed 15 per cent on $1.10 because the apples purchased in the United States were purchased at a price which was more than 15 per cent below $1.10.

If it can be proven that the United States growers are selling for export to Canada at a lower price than for home consumption, then probably our industry should be protected, but in the case of apples we could buy good apples at Washington for 80 cents, which was the price sold anyone in the United States. Why pay dumping duty because the British Columbia growers claim the growers in the United States should be getting $1.10?

In Washington the cost of packing a box of apples is figured out at 42 cents, everything included; while in British Columbia they figure their cost up to nearly 80 cents.

The duty on apples was increased in 1916 from 10 cents to 30 cents per box. The reason given was on account of the war and insufficient help in British Columbia to take care of the crop. Is there any justification for this duty remaining on now? We are of the opinion that this 30 cents per box duty and lower freights to some points, is more than sufficient protection for the Canadian grower.

The farmers on the prairies have been called upon to pay some 65 cents per box more than they should and more than the farmer in the neighbouring States, for his apples.

The imposition of the dumping duty means we are trading in the dark not knowing just exactly what our costs are until after the goods are received and reshipped out, the duty in some cases being applied after we have even made collection.

Surely the present duties are sufficient, in view of conditions under which we are struggling at present. The Canadian producer can develop conditions sufficiently to stand up against outside competition if he wishes to.

We wish, as jobbers, to make application to have the Dumping Act amended or customs collectors notified not to impose dumping duty on fruits and vegetables entering Canada and pray that our request receive immediate and favourable consideration.

I am just afraid, because of the wavering attitude which the Minister of Agriculture (Mr. Motherwell) seems to take when he approaches the question of helping out the British Columbia fruit men, that he may be considering the imposition of a luxury tax on fruit, and it seems to me that the wholesale jobbers of fruit have in this letter made out a splendid case against any such tax as that. Further, I think they have made out a good case for the removal of the present dumping act as far as it applies to fruit. I think it is an outrageous law that the Minister of Customs and Excise (Mr. Bureau) can, of his own volition, set the price which he considers it costs the United States' grower to raise apples. I do not think he knows nearly as much about that question as the United States' growers themselves. Surely when there is a protection of 30 cents a box and an advantage in the freight rate, that should be sufficient protection for the fruit men in British Columbia. I am glad to hear that the growers in British Columbia are getting together; that they have such a splendid co-operative association, and if their industry can be saved, surely through this co-operative selling association, with a protection of 30 cents a box and an advantage in the freight rate, they do not need to come to this parliament and ask for anything more in the shape of a luxury tax or a dumping duty.

Mr. PRITCHARD: I have been very much interested in this discussion in connection with fruit in Canada and this matter of protecting the fruit growers on the Pacific coast. It was my privilege last summer to visit the Okanagan valley and to make some observations in the western cities in the Okanagan valley as well as in Seattle and Spokane. I was pleased to see the beautiful fruit, because I was there at the time that the apples were ripe. I was much interested in fruit growing in the Okanagan valley and on the Pacific coast. I think a good deal of credit is due to the British Columbia men for the manner in which they ship their fruit. They deserve a good deal more credit than the Ontario fruit growers for the manner in which they have conducted their business and the way in which they have presented their goods for sale. They have a very favourable climate. Their land is not more expensive than land in the state of Washington. I visited my brother in Washington who has a fruit farm near Spokane. He had an apple orchard of the most beautiful trees that I have ever cast eyes on, and he was so discouraged with it that he was thinking of cutting it down, because there was no profit in it. He was growing fruit on that land that was estimated to be worth $250 an acre; it costs $12 an acre to irrigate it, and he had to ship the fruit to Canada at some distance over the railways. If he could do that under those conditions and undersell fruit growers in British Columbia, there is something the matter. I do not

11 p.m.

see why the British Columbia men cannot compete with men in the state of Washington in marketing their fruit on the prairie provinces. When I came to Edmonton, I noticed that they had Ontario plums in that city. That surprised me because an acquaintance of mine in Ontario a couple of years ago could not pick his plums and ship them about one hundred miles west, and they were allowed to rot in the orchard. I made inquiries in a store as to where the plums came from and I was told that they came from Ontario. I was somewhat surprised because I knew that in eastern Ontario fruit growers in many cases were not able to market their plums at all and they did not intend to pick them because they could not get the freight and the price of the baskets.

I am opposed to the principle of protection to fruit farmers just as much as I am opposed to the principle of protection to men engaged in mixed farming or any other kind of farming. If we Canadians cannot follow any branch of farming in a certain district, we had better go somewhere else where we can compete with the world. I claim that we farmers in Canada are able to compete with the world without any protection whatever; but we want to be able to buy in the cheapest market if we are to compete in the cheapest market of the world. Therefore, the prairie farmers ought to be able to buy in the cheapest market, and the British Columbia fruit men ought to be able to sell them their fruit. While our eastern men are not producing as beautiful an apple as the men on the Pacific coast, they are able to sell their apples in Great Britain. I noticed in one of the reports which I picked up that Nova Scotia had shipped in the neighbourhood of a million barrels or over. I know that Ontario fruit growers, if they cannot ship West, can ship to the Old Country, and in sections of Ontario where we do not profess to produce the best apples in Canada, we can ship either east or west without any protection whatever. Surely, the men with that favourable climate on the Pacific coast can compete with fruit growers in the state of Washington without any protection. We have in western Ontario men who are seeking protection also, men who belong to that element of manufacturers who need protection in order that they may exist in that most fertile section of the Dominion of Canada on the Niagara peninsula. I have not much faith in those men who must have protection in order to carry on their business. I think the remark was rather jocular when the suggestion was made that the fruit men should go into mixed farming. By the way let me say that when I was in Spokane, without any joking about the matter, my brother was seriously thinking of starting a herd of Holstein cows in connection with his farm of ten acres. His idea was that fertilizer was getting so hard to obtain for his orchard that he could keep cows profitably—and I believe he could—and make as much money out of his cows as out of his fruit. I believe that is quite possible.

As regards the fruit in Ontario and the home market, I have wondered where the fruit men are going to get that market. We have heard a lot of talk recently about a home market. Where are we going to get it and how? The manufacturers are not able to make up their end of the market for the fruit growers and the farmers are failing to make a market for the manufacturers. Where are they going to get the home market, with one dependent on the other for a market and nobody having it? That is the situation exactly. I cannot understand the reasoning of some hon. gentlemen. I have been sitting patiently listening for a solution to this home market question. My opinion is that the farmers of Canada, the men of experience in Canada, who have been producing stuff for the market, cannot see that it is anything but a joke when people talk about a home market. I picked up to-day a report sent me by one of the departments at Washington stating that after one hundred years in the United States—and that country, we are told in this House, is far in advance of us—the manufacturers are not yet able, notwithstanding all the immigration there, to provide a home market for the agricultural products of the farmers. Now, if we have to wait one hundred years in this country before we can get a home market for the produce of our farms, I am afraid our farmers will be pretty badly off. To-day we are exporting fruit and all sorts of farm products to the markets of the world and we are not afraid to compete in those markets with producers anywhere. We are bound to compete with outsiders in butter, cheese, beef, wheat and everything else we produce, and there is no use talking about providing a home market; for as I have just stated, if after a hundred years of manufacturing activity in the United States the farmers there are still unable to find an adequate home market, the prospect is very poor indeed for the Canadian farmer. I claim that we are in a position to compete with the rest of the world, and we are going to do so. It was pointed out in the budget debate last night that we were sending a great deal of money to the United States. Surely if we are selling so many million dollars' worth of our products abroad we can afford

to buy a few million from other countries.

Talking about fruit, I might observe that the people in the Niagara peninsula have been giving the manufacturers in Toronto the benefit of the most wonderful dumping clause we have ever seen. Gentlemen from the West may laugh at the business ability of the men on the Pacific coast, but I think they are in advance of the people in the Niagara district, and they are dumping their fruit on the Toronto market when they cannot get the cost of their containers or pay their freight. Owing to circumstances that the fruit growers cannot control, this fruit is being dumped on the market in Toronto at less than cost, and that suits the consumer of fruit in Toronto quite well. Now, I happened to be raised in a garden myself—I was brought up in an orchard, so to speak—and I may tell hon. gentlemen that as a practical farmer I refuse to grow anything unless I can depend upon being able to ship my produce to the markets of the world. I find that the men who do that are the successful farmers in Ontario. If you produce cattle, wheat, cheese, butter or bacon, you have a ready market and cash at all times in the world markets; but if you are content to cater to the home market you have nothing stable to depend upon. Some of the city men of Toronto bought a farm in the fruit section not long ago and they thought that they would reap a great profit from it. I was acquainted with them, but they would not listen to any advice I had to offer, because some of the gentlemen of Toronto are like that. At any rate they bought this farm for $40,000 and started growing fruit on it. It is a rather long story to tell, but out of a total of the first crop of peaches, 25,000 baskets, they marketed 15,000, while 10,000 baskets rotted in the orchards, and so far as the apples were concerned they were unable to pick them. So that the profit which they anticipated proved in the long run to be a considerable loss. We are getting away from that kind of business in our part of the country and are producing stuff that we can sell in the markets of the world. Our people are making a fair success of that method and are certainly doing better than they would if they catered to the home market. The fact is that the home market is governed by the little surplus which we are able to sell. Some people contend that 80 per cent of our farm produce is consumed at home; this would leave 20 per cent to ship abroad which fixes the price for all. I have no patience with those who would grant protection to the fruit men of Niagara or of the Pacific coast, any more than I have with granting protection to the manufacturers of the city of Toronto.

[Mr. Pritchard.]

Progress reported.

On motion of Mr. Graham the House adjourned at 11.10 p.m.

Monday, April 28, 1924

The House met at three o'clock.

UNITED CHURCH OF CANADA

Mr. CHARLES SHEARD (South Toronto): I desire to present a petition from adherents of St. Andrew's Presbyterian church, Toronto opposing the United Church of Canada Bill.

Mr. J. W. KENNEDY (Glengarry and Stormont): I desire to present two petitions, one from the officers of St. John's Presbyterian church, Cornwall, and the other from Maxville Presbyterian church, protesting against the enactment of the bill to incorporate the United Church of Canada.

Sir HENRY DRAYTON (West York): I beg to lay on the Table two petitions, one signed by members of the Woodbridge Presbyterian church, and the other by members of the Presbyterian church, Mimico, protesting against the enactment of the bill to incorporate the United Church of Canada.

Mr. A. B. HUDSON (South Winnipeg): I desire to present petitions from certain members of St. John's church, St. Stephen's church, Westminster church and Knox church, Winnipeg; St. James Presbyterian church, St. James, Manitoba; and Norwood Presbyterian church in opposition to the bill to incorporate the United Church of Canada.

Mr. A. B. HUNT (Compton): I desire to present petitions from certain ministers, elders, members and adherents of the Presbyterian church of Milan and Hampden, Quebec, in opposition to the bill to incorporate the United Church of Canada; also a petition from members of St. Paul's Presbyterian church, Ormstown, to the same effect.

Mr. O. R. GOULD (Assiniboia): I desire to present a petition from the Union congregation at Manor, in favour of the enactment of the bill to incorporate the United Church of Canada.

Mr. R. M. GENDRON (Wright): I desire to present a petition from the Methodist church at Aylmer, Quebec, in favour of the bill for the incorporation of the United Church of Canada.

Mr. R. J. WOODS (Dufferin): I desire to present a petition from certain members of Knox Presbyterian church, Shelburne, Ontario, protesting against the passing of the proposed Church Union legislation and asking that the rights of those opposed to the provisions of the bill be fully safeguarded; also a petition from the Methodist congregation at Shelburne, Ontario, signed by 106, for the enactment of the bill to incorporate the United Church of Canada.

Mr. J. F. WHITE (London): I desire to present a petition from representatives of the Session and Board of Managers, and Board of Trustees, of New St. James Presbyterian church, London, Ontario, against the passing of the bill to incorporate the United Church of Canada, and for the safeguarding of the rights of those opposed to the provisions of the bill.

Mr. WILLIAM ELLIOTT (South Waterloo): I desire to present a resolution from certain Presbyterian women of Galt expressing disapproval of the bill to incorporate the United Church of Canada as being coercive and unfair to those who desire to continue in the church of their choice, and petitioning against the bill as presented to parliament; also the petition of James Marshall and 217 others, members and adherents, St. Andrew's church, Newmarket, against the passing of the bill to incorporate the United Church, and asking for the safeguarding of the rights of those opposed to its provisions.

Mr. PRESTON ELLIOTT (Dundas): I desire to present a petition from members and adherents of Knox church, Morrisburg, protesting against the form of the Church Union bill; also from members and adherents of Morwood Presbyterian church, against the bill to incorporate the United Church of Canada without such safeguards as will conserve the interests of those who wish to continue in the Presbyterian church. also petition from members and adherents of Chesterville Presbyterian church and Dunbar Presbyterian church to the same effect.

Hon. JAMES MURDOCK: I desire to present the petition of Albert E. Jones, chairman, and E. F. Armstrong, secretary, on behalf of thirty-four churches, twenty-one ministers and 5,100 members of the Chatham district, of the Methodist church, praying for the incorporation of the United Church of Canada, and a recognition of the right of self-determination vested in the respective church governments that seek to be united.

Mr. S. CHARTERS (Peel): I beg to present a petition from members and adherents of St. Andrew's Presbyterian church, Port Credit, against the passing of the proposed Church Union legislation and asking that the rights of those opposed to the bill be fully safeguarded; also a petition from members and adherents of St. Andrew's Presbyterian church, Streetsville, to the same effect.

Mr. A. E. ROSS (Kingston): I beg to present a petition signed by members of the Sydenham Methodist church, Kingston, for the enactment of the bill to incorporate the United Church of Canada.

Mr. W. A. BOYS (South Simcoe): I beg to present a petition from members of St. Paul's Presbyterian church, Victoria Harbour; also a petition from members of the Presbyterian church, Coldwater; also a petition from members of the Presbyterian church, Orillia, against the passing of the bill to incorporate the United Church and asking for the safeguarding of those opposed to the provisions of the bill.

Mr. L. P. BANCROFT (Selkirk): I desire to present a petition from members of Knox Presbyterian church, Selkirk, in opposition to the Church Union bill; also a petition from members of the congregation of Old Kildonan Presbyterian church, Kildonan, for the rejection of the Church Union bill.

Mr. ROBERT FORKE (Brandon): I desire to present a petition from members of the congregation of St. Andrew's Presbyterian church, Brandon, against the passing of the Church Union bill.

HOME BANK INVESTIGATION

Mr. W. A. BOYS (South Simcoe): I desire to present a petition from 163 depositors of the Home Bank in the town of Alliston, asking for indemnification for their losses.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INSPECTION LIFE-SAVING DEVICES

Mr. HARRIS:

1. Has a thorough inspection been made by the inspectors of the Marine department of the rafts and life-saving devices on passenger steamboats plying from Port of Toronto for the season 1924?

2. What is the carrying capacity in number of passengers of steamships: Macassa, Modjeska, Turbina, Cayuga, Chippewa, Corona, Garden City, Dalhousie City, Toronto and Kingston.

3. What is the carrying capacity of the life-saving equipment on these steamers?

4. What part of the life-saving equipment would be classed as "A" No. 1?

5. How many inspections are made each season of the life-saving equipment?

Hon. Mr. CARDIN:

1. Only two of these steamships, the Dalhousie City and the Macassa have had their life-saving equipment inspected for the season 1924.

The other passenger steamers running out of Toronto will have their life-saving equipment inspected before being permitted to operate for the season.

2. The ss. Dalhousie City is allowed by her passenger certificate for the year 1924 to carry 710 passengers.

The ss. Macassa is allowed by her passenger certificate to carry 150 passengers. (Note. This ship is given two certificates in the year, one for the whole season of navigation allowing her 150 passengers, and the other from the 15th of May to the 30th of September allowing her a larger number. This second certificate has not yet been granted).

The ss. Garden City is not operated out of Toronto, and the other ships mentioned in the question above have not yet been certificated for the season 1924.

3. The carrying capacity of the life-saving equipment on the two steamships above-mentioned certificated for the season 1924 is: SS. Dalhousie City—Lifeboats, 104 persons, buoyant apparatus, 498 persons. In addition the ship carries 6 life buoys and 1,135 life jackets. SS. Macassa—Lifeboats, 87 persons, and in addition the ship carries 6 life buoys and 109 life jackets.

4. The department has no classification of life-saving equipment as "A" No. 1.

5. The life-saving equipment is inspected once each season.

MOSER'S RIVER WHARF

Mr. BLACK (Halifax):

1. Was a wharf constructed at Moser's River, Halifax county, in 1922, by the government?

2. If so, under what conditions and at whose request was this wharf built?

3. What public demand was made for this wharf?

4. Was it built by tender?

5. What did it cost?

6. Who built it?

7. Is the government aware that a lobster factory is attached to said wharf and premises?

8. Is the government aware that these premises are occupied by one D. I. Turner to the exclusion of the public generally?

[Mr. Harris.]

9. Does the government know that the so-called warehouse on the wharf is not a warehouse but a three-story building with shop and office, all well finished?

10. What rental has Mr. Turner paid in 1922 and 1923 for these premises?

Hon. Mr. KING (Kootenay):

1. No, but an extension to the present wharf was built during 1922.

2 and 3. The extension was built at the request of a number of inhabitants of Moser's River.

4, 5 and 6. It was built by days' labour under the supervision of District Engineer Dodwell, the extension costing $3,326.74, the shed thereon, $1,000.

7. A lobster factory 25 ft by 32 ft. was built on the wharf extension 10 feet inshore from the departmental shed by D. J. Turner in 1923, without reference to the department.

8. The departmental shed on the extension is used by D. J. Turner acting part of the year as agent for the Hubbards & Boston Fish Company and during the remainder of the year for his own fish business.

9. The public shed on the extension is a two and one-half storey building. The first storey is used for salting, icing and storing fish, the second for storing fish barrels, cases, cans, etc., the attic for general storage. On the second storey is an office roughly furnished, the furniture consisting of a desk and boxes for seats.

10. No rental has been paid but in view of the district engineer's report that Mr Turner's occupancy of the shed is a benefit to the local fishing industry, it is intended to lease him the shed on the wharf for a rental of $10 per month, the shed located at the head of the wharf being available for freight from ss. Dufferin twice each week and other coastal vessels at irregular intervals.

DOMINION AND PROVINCIAL TAX COLLECTION

Mr. RYCKMAN:

1. What are the totals of the several classes of taxes collected by the Dominion government during the past fiscal year?

2. What are the totals of the various taxes collected by the provincial governments?

Hon. Mr. BUREAU: The first question asks the totals of the several classes of collection by the Dominion government during the past fiscal year. The second question asks as to the totals of the various taxes collected by the provincial governments. I do not know that we have any record of that. We have no information and I ask that that part of the question be dropped.

Sir HENRY DRAYTON: I think the minister will find that it is quite proper to ask the government for this information.

Mr. BUREAU: I object to answering questions in matters in regard to which we have no possible information to furnish. The statistical reports are open to everyone, and I do not see why a minister of the Crown should be asked for the information.

Mr. SPEAKER: The second part of the question should be dropped, in my humble judgment. Questions relating to provincial matters are not properly to be answered by a minister of the Dominion government. The first question will stand and the second will be dropped.

First question stands.

CANADIAN NATIONAL SERVICE

Mr. SAVARD:

On April 10, the government informed the House that the nearest railway to Tadoussac was the Canadian National which passes at a distance of 20 miles from said locality, on the south shore of the St. Lawrence.

1. Is it possible for persons on the northern shore of the St. Lawrence to communicate with said railway from November 1, to May 1?

2. If not, what is the distance that they must travel to Tadoussac to reach another railway?

3. Is it possible to place vehicles on board the little motor boat which carries on the service between Tadoussac and Bay St. Catherine?

4. Is the public highway between St. Catherine and Murray Bay, the nearest railway station, an ordinary or very rough road?

Hon. Mr. GRAHAM: I think I can convince my hon. friend that the minister has no information of this kind in his possession. It is all municipal or provincial, so far as I can ascertain. I will be glad to furnish any information that we possibly have in our possession. In regard to No. 3 question, the Department of Trade and Commerce may have a boat between Tadoussac and Bay St. Catherine. As far as the other questions are concerned I have no information or no way of obtaining information.

Mr. SPEAKER: Stands.

Mr. GRAHAM: Of course this is not an answer to the question.

MR. T. L. CORY—INTERIOR DEPARTMENT

Mr. SPENCER:

1. In what capacity and for how long has Mr. T. L. Cory been an employee of the Interior Department?

2. What is his remuneration and out of what appropriation is it paid?

3. Was he appointed under open competition by the Civil Service Commission?

4. If not, why?

Hon. Mr. STEWART:

1. From February 8, 1922, to June 11, 1923, and from September 22, 1923 to January 11, 1924, retained by the Department of Justice for special legal work in connection with revision of the North West Territories Act and orders-in-council, ordinances, regulations and rulings made thereunder. From January 12 employed as temporary departmental solicitor upon special legal work in the Dominion Water Power branch.

2. Salary of departmental solicitor, Dominion Water Power branch, $3,120 per annum, paid from water power appropriation.

3 and 4. Important legal actions pending in United States courts vitally affecting certain international waterway problems made it necessary for department to have the services of a qualified barrister in constant co-operation with engineering division. In view of urgent necessity for immediate action commission authorized department to engage barrister locally pending advertising of position for public competition. Mr. Cory selected on account previous departmental experience.

MONTREAL HARBOUR COMMISSION INVESTIGATION

Mr. SPENCER:

1. Has an investigation been held recently into the affairs of the Montreal Board of Harbour Commissioners?

2. If so, by whom was such investigation held?

3. If a report was made by investigators, is it the intention of the government to place such report before parliament for the information of the members?

4. If not, why?

Hon. Mr. CARDIN:

1. No.

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

ROYAL CANADIAN MOUNTED POLICE HEADQUARTERS

Sir HENRY DRAYTON:

1. In what building were the headquarters offices of the Royal Canadian Mounted Police located, who was the owner of the property, and what was the rental, in the year 1921?

2. In what building are these offices located at present, who is the owner of the property, and what is the rental?

Hon. Mr. GRAHAM:

1. Duford Building, 113 Rideau street, owner, J. B. Duford, annual rental $7,225.

2. Larocque Building, northeast corner Rideau and Dalhousie streets, owner J. A. Larocque, annual rental $12,832.

MR. ARONOVICI

Sir HENRY DRAYTON:

1. Was Mr. Aronovici's resignation voluntary or was it compulsory?

2. Did Aronovici have a contract under which his services could only be terminated by notice of a certain length or on payment of 150,000 francs?

3. If there was no contract what justification was there for the payment of a bonus of 150,000 francs, or approximately $7,500?

4. If his resignation was compulsory, was such action taken because of the purchase of the Hotel Scribe made by or through him, and if so, of what derelictions of duty was he guilty?

5. Has the government ascertained what proportion of the total cost to the Canadian National Railways the actual former owners of the Hotel Scribe received?

Hon. Mr. GRAHAM:

1. Resignation requested in connection with reorganization of the traffic, colonization and development departments of the Canadian National Railways on the continent of Europe.

2. Management was advised by counsel that under French law and practice a reasonable settlement would require to be made under the circumstances, and the settlement as made was recommended by the railways' counsel in Paris.

3. Answered by No. 2.

4. Answered by No. 1.

5. Proper notarial documents show the amounts as paid to the former owners.

COLLECTION OF DOMINION TAXES

Sir HENRY DRAYTON:

What was the total amount collected in each of the fiscal years from 1920 to date, inclusive, under (a) the Income Tax Act, and (b) the Business Profits Tax Act, and what percentage does the total so collected bear to the total amount raised by taxation in each of the said years?

Hon. Mr. ROBB:

	(a) Income tax	(b) Business profits tax	Percentage of total of (a) and (b) of Total Taxation revenue
1919 20.. ..	$20,263,739 91	$44,145,184 48	21.94%
1920-21.. ..	46,381,824 31	40,841,401 25	23.65%
1921-22.. ..	78,684,354 80	22,815,666 58	31.72%
1922-23.. ..	59,711,538 37	13,031,461 80	21.68%
*1923-24.. ..	54,204,027 99	4,752,680 89	17.27%

* Not final figures for 1923-4.

IMPORTATION OF BITUMINOUS COAL

Mr. GARLAND (Bow River):

1. What was the total quantity of bituminous coal imported into Canada in each of the years, 1921, 1922 and 1923?

2. What was the total duty collected on this coal in each year?

3. What was the total loss in each year to the revenue, because of the drawback of 99 per cent on bituminous coal used for manufacturing purposes?

Hon. Mr. BUREAU:

1 and 2.

	Imports entered for consumption Tons	Customs duties collected Value
Fiscal Year 1921....	15,407,996	$7,245,565 93
Fiscal Year 1922....	12,752,059	5,685,855 71
Fiscal Year 1923....	11,166,937	4,987,916 87

3. 1920-21.. .. ..$498,946 25
1921-22.. .. .. 324,609 29
1922-23.. .. .. 176,316 14

[Sir Henry Drayton.]

SOLDIER SETTLEMENT BOARD

Mr. GARLAND (Bow River):

What price was paid by the Soldier Settlement Board for the former Hudson Bay land reservation, included in townships 33-R-18-W-4, 32-R-18-W-4, 31-R-14-W-4, 31-R-15-W-4, 30-R-15-W-4, 28-R-18-W-4 and 28-R-16-W-4, and at what price were these lands sold to the soldiers?

Hon. Mr. ROBB:

(a) No price paid.

(b) $188,100.

Mr. GARLAND (Bow River):

1. How many quarter sections of Dominion or crown lands were turned over to the Soldier Settlement Board, free, in Manitoba, Saskatchewan and Alberta?

2. What price was paid by the soldier settler to the board for such lands in each of the Prairie provinces?

Hon. Mr. ROBB (For Minister of Soldiers' Civil Re-establishment):

1. To be answered by Department of the Interior.

2. Alberta, $210,806.19; Saskatchewan, $151,664.00; Manitoba, $488.00.

No. 1. ELEVATOR—VANCOUVER

Mr. GARDINER:

Was Mr. Colin McLean, now superintndnt of No. 1 elevator at Vancouver, formerly in the employ of Davidson and Smith at Port Arthur?

Hon. Mr. CARDIN:

The Department of Marine and Fisheries has no information.

Mr. GARDINER:

1. Was the addition to No. 1 elevator at Vancouver, last year, constructed by contract?

2. Was it constructed by the Pacific Construction Company?

3. If so, who are the officers of this company?

Hon. Mr. GRAHAM:

1. Yes.

2. Yes.

3. Contract was signed by J. L. Davidson as president and W. S. Lane, as secretary.

MONTREAL POST OFFICE EMPLOYEES

Mr. RINFRET:

1. How many employees of the Post Office Department, at Montreal, have been dismissed from the service since January 1, 1924?

2. How many of the said employees were dismissed for personal reasons?

3. How many of the said employees were dismissed to conform with the government's economy programme?

Hon. Mr. STEWART:

1. One.

2. None.

3. None. The employee referred to in question 1, was dismissed from the service on account of prolonged absence from duty without furnishing any satisfactory explanation.

AGRICULTURE DEPARTMENT EMPLOYEES

Mr. SUTHERLAND: Might I inquire of the government with regard to a question placed on the order paper on 7th March last? On 19th March a very simple question was passed as an order for return, and I think the House should have the information before it. The question relates to the Department of Agriculture, and was as follows:

DEPARTMENT OF AGRICULTURE EMPLOYEES

Mr. SUTHERLAND:

1. What was the total number of employees on pay or allowance connected with the Department of Agriculture on January 1st of each of the years from and including the year 1914 to the year 1924?

2. What was the amount paid out or due in pay or allowance to said employees on the dates and years as above?

The estimates for the Department of Agriculture are passing from time to time, and I think the House should have this information.

Hon. Mr. MOTHERWELL: I will have the matter attended to. I think it was overlooked.

UNOPPOSED MOTIONS FOR PAPERS

DISMISSAL OF DANIEL S. McLEAN

Mr. SIMPSON:

For a copy of all correspondence, telegrams, and other documents, passing to and from the Department of Marine and Fisheries with regard to the dismissal of Daniel S. McLean from the position of lighthouse keeper at Darby Point (Piper Cove) in the province of Nova Scotia, and if an investigation was held a copy of the evidence given and the investigator's report.

OFFICIAL SEQUESTRATORS' FEES

Mr. RYCKMAN:

For a copy of all correspondence, letters, telegrams, writings, or other documents, exchanged between the Department of the Attorney General of the province of Quebec and the Department of Justice concerning the fees payable to official sequestrators.

WOODWARD ELEVATOR

Mr. GARDINER:

For a copy of all correspondence, telegrams, agreements, leases, or other documents, passing between the Vancouver Harbour Commission or the federal government, and any other parties in connection with the purchase and lease of the Woodward elevator at Vancouver.

WAINWRIGHT POSTMASTERSHIP

Mr. SPENCER:

For a copy of all letters, telegrams and correspondence during 1923 and 1924 in the possession of the government or any department thereof regarding the appointment of a postmaster at Wainwright, Alberta.

CANADA AND GULF TERMINAL RAILWAY COMPANY

Mr. GAUVREAU:

For a copy of all reports, statements, notices, telegrams and other documents in the possession of the Department of Railways, relating to the request for the granting and the payment of a double subsidy in money, in connection with the construction of the Canada and Gulf Terminal Railway Company, formerly known as the Matane and Gaspé Railway, during the years from 1900 to 1912, inclusive.

BELLE RIVER PROPOSED WHARF

Hon. Mr. STEVENS:

For a copy of all correspondence, petitions, telegrams and other communications received by or passing from the Department of Public Works, respecting the proposed wharf or breakwater at Belle River, Ontario.

ST. PLACIDE WHARF

Mr. ETHIER:

For a copy of all correspondence, documents and engineers' reports relating to the purchase, sale or expropriation of the wharf of St. Placide, in the county of Two Mountains.

CHINESE STEAMSHIP CREWS

On the Orders of the Day:

Hon. J. A. ROBB (Minister of Immigration and Colonization): On Thursday April 24, the hon. member for Centre Winnipeg (Mr. Woodsworth) stated:

According to the Halifax Herald of April 14, forty-nine orientals have arrived there to work on the Nova Scotia coal boats. Subsequent investigation seems to show that the Chinese landed from the s.s. Cedric, Pier 2, Halifax, direct from Liverpool, England, having arrived there from Canton via the Suez canal, and that these Chinese are imported from the Orient as crews for the Wabana, Daghild, and other vessels of Canadian registration. These Chinese are acting in the capacity of sailors, quartermaster, oilers, stockers, stewards and cooks; they are to relieve the hardy Nova Scotians. The Herald states that they are in bond and that permission to land and place the Chinamen on the various allotted vessels was given under letter received from the Deputy Minister of Immigration at Ottawa.

I promised the hon. member to inquire and advise him, and I have this information:

On the 3rd instant a telegram was received by the Department of Immigration and Colonization from Mr. J. R. McIsaac of the Steel Corporation, stating that, owing to difficulty in getting Canadian crews to remain with their steamers after signing up, it was proposed to bring Chinese from England, a number to sail on the Cedric on the 5th instant, and the remainder, about nine, to come forward by a later boat to complete a crew now on this side.

The corporation gave the assurance that, except in the case of one vessel, the Chinese were to be confined to employment as firemen and cooks and that it was hoped to secure white men for the other classes of work on

their steamers. The department consented to the request of the British Empire Steel Corporation on the understanding that arrangements were completed for guarding the Chinese and that the corporation would be responsible for all penalties under the Chinese Immigration Act until a bond, satisfactory to the department, was furnished.

A bond for $105,000 has been deposited with the department, this bond to cover 105 Chinese who are to be engaged on the steamships Rosecastle, Daghild, Wabana, Lingan, Hochelaga and Kamouraska, plying between the ports of Sydney, Louisburg, Halifax, St. John and Montreal. While the bond is for $105,000 it provides for a penalty of $1,000 in the case of each chinaman engaged on the steamships mentioned. Only 76 Chinamen have come forward or are coming forward under this arrangement with the Steel corporation, the bond covering also the cases of 29 Chinese who came forward last fall for employment on the Kamouraska. There are precedents in the department for action of this nature.

These Chinese are regarded as non-immigrants and the bond deposited by the British Empire Steel Corporation will be retained until the department is satisfied that all of the Chinese covered by the same have been checked out of Canada.

Mr. J. S. WOODSWORTH (Centre Winnipeg): I should like to ask just in this connection whether this arrangement by which Chinese are allowed here under bond is not worse than any form of peonage.

THE BUDGET

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

The House resumed from Friday, April 25th, the debate on 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 Mr. Woodsworth.

Mr. SPEAKER: Before the debate proceeds, I might ask hon. members if they have any further remarks to offer concerning the point of order which was raised the other day. My ruling is, of course, ready to be delivered, but I should not like to prevent any hon. member from stating his point of view.

Mr. W. A. BOYS (South Simcoe): Mr. Speaker, after your announcement, I realise the futility of taking up much time in discussing this matter, but we deem it of sufficient importance at all events to place ourselves very definitely on record in connection with it. I do not propose to quote again the amendment that was moved before recess last Friday, nor the amendment which was moved after recess, at eight o'clock. They will both be found in the remarks of my leader (Mr. Meighen) which appear in Hansard of last Friday. I do, however, want to support the contention that he then made, and I think as a preliminary to what I have to say, I should read the rule of our own House upon the question. Rule No. 77 reads:

> If any motion be made in the House for any public aid or charge upon the people—

"Charge upon the people" are the words that I wish to emphasize.

> —the consideration and debate thereof may not be presently entered upon, but shall be adjourned to such further day as the House thinks fit to appoint; and then it shall be referred to a committee of the whole House, before any resolution or vote of the House do pass thereupon.

This rule has obtained in our parliament for half a century. As far as I have been able to read, it has obtained in the British House for 200 years, and I submit that it should not be lightly disregarded. The objection is two-fold. In the first place, it is contended that the amendment that was made by the hon. member for Centre Winnipeg (Mr. Woodsworth), that reached this House at six o'clock and that was seconded by the hon. member for West Calgary (Mr. Shaw) was subsequently altered. The first point I wish to make is this, that the only amendment before this House that had a seconder was the amendment moved by the hon. member for Centre Winnipeg and placed in the hands of the Speaker before recess. After recess—and we are led to believe as the result of some discussion owing to the fact that that amendment was considered not to be in order—it was changed. Let us first see what is the duty of the Chair on receiving a motion which is considered unparliamentary. Rule 46 reads:

> Whenever the Speaker is of opinion that a motion offered to the House is contrary to the rules and privileges of parliament, he shall apprise the House thereof immediately, before putting the question thereon and quote the rule or authority applicable to the case.

There is no question that the amendment which was moved in the House by the hon. member for Centre Winnipeg (Mr. Woodsworth) was presented to the Chair. There can be little or no question that that amendment was out of order; and I submit Sir, that the first thing to have been done in the circumstances was to have had recourse tc

rule 46. That was not done; but for reasons which cannot be fully disclosed, the amendment that was put by the Chair after recess was absolutely different in form from the original motion. It was different in paragraphs A., B. and C. of the operative part, inasmuch as it involved entirely new features; I refer now to those provisions of the amended motion relating to all natural resources. Now, what authority was there to make that change? Who seconded that amendment? I submit, Sir, that it had no seconder then, nor has it any seconder at the present time. I do not even know that the hon. member for West Calgary (Mr. Shaw), who did second the amendment as originally moved by the hon. member for Centre Winnipeg, was present when the substituted motion was put to the House. I therefore contend that inasmuch as the second amendment as put by the Chair had no seconder it is consequently not properly before the House at the present moment; and I submit that there is no power whatever to make any such changes in the original motion as were made. It would seem to me that if there is any distinction between what has been done in the matter in hand and what might be done in connection with a formal notice of motion, which would first have to appear in Votes and Proceedings, there should be more formality and greater stricture in the case of such a motion as was submitted to the House by the hon. member for Centre Winnipeg. Let me quote May at page 216:

> A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice. If a motion is proposed, which differs materially from the terms of the notice, it can only be made with the consent of the House, or upon a renewal of the notice.

I would direct the attention of the House again to the ground upon which any modification of a notice of motion may be made, that is to say,—

> If the amended notice does not exceed the scope of the original notice.

Now, Sir, there is no doubt that the substituted amendment does differ absolutely from the motion as originally presented to the House. And if in connection with a formal notice of motion which appears in Votes and Proceedings no change may be made without the consent of the House, how much more imperative, may we argue, that in relation to a matter of this kind, whereof there is not even intimation beforehand, there shall be no change unless the House is apprised of the fact. The amendment has been changed; no one contends for a moment that it has not. I do not know what authority may be cited in support of that change. I am aware of course that there is a reference to a similar situation in the American rules of procedure, but I submit that such would not be a proper authority for this House. Indeed, I do not even know whether the rules observed in the United States are identical with ours. In any event I contend that no precedent available to this parliament can be found for the change that has been made in the present instance; there is no precedent so far as either the British practice or our own is concerned.

Let me now come to the second point. I have already shown what has been the practice in this House for half a century and in the British parliament for two centuries; and I find in Bourinot at page 430 the following:

> It is now a fixed principle of constitutional government that all propositions for the imposition of taxes should emanate from the ministry.

At page 431 Bourinot says:

> All the authorities go to show that, when the government have formally submitted to the House the question for the revision of customs and excise duties, it is competent for a member "to propose in committee to substitute another tax of equivalent amount for that proposed by ministers, the necessity of new taxation to a given extent being declared on behalf of the Crown". It is also competent for any member to propose another scheme of taxation for the same purpose, as a substitute for the government plan. But it is not regular to propose a new and distinct tax, which is not a mere increase or diminution of a duty upon an article already recommended by government for taxation, though it is the function of this committee to impose rather than to repeal taxes.

I submit that there is nothing whatever in that proposition which brings the present case within the category of exceptions. In the first place, there is no tax at all proposed at the present time and therefore there is no question of substituting any equivalent of a plan proposed by the government. An abundance of authority may be cited in support of the position I take on this matter for, as I have said, there are precedents covering a period of some two hundred years. Let me now refer to Redlich's The Procedure of the House of Commons, Vol. III at page 121. Referring to this very principle which has been dealt with in May, he says:

> It is one of the oldest of the standing orders now in force: first enunciated on the 11th of July 1713, it has twice been expressly reaffirmed, on the 25th of June 1852 and on the 20th of March 1866. It runs as follows:
> This House will receive—

And I may remark that this is order 66 of the British House—

> This House will receive no petition for any sum relating to public service, or proceed upon any motion

for a grant or charge upon the public revenue, whether payable out of the consolidated fund or out of money to be provided by parliament, unless recommended from the Crown.

I think it wise to read a few lines further in order that we may gather some idea of the reasons which have prompted the continuance of this rule during the lengthy period I have mentioned.

By laying down this rule the House of Commons placed in the hands of the government all power of initiative in respect of the expenditure of public money, voluntarily resigning, both for itself as a body and for all its individual members, a privilege which in theory nobody had dreamed of contesting. Since the order was made it has not been competent for one or more unofficial members of the House to propose by motion or petition a grant of money for any purpose,—

Of course, there is authority to show that a charge is dealt with in exactly the same manner as a grant of money. That will be found in May.

—or for the House to act upon such a proposal unless the grant is asked for by the Crown: Only when this is done does the House vote definite sums for definite purposes.. ..The limitation of power effected by this action was undoubtedly a constitutional innovation of the deepest importance: It was, however, effected not, as might have been expected, by statute, but by a simple order of the House of Commons, liable at any moment to be repealed by an equally simple action: And yet for almost two hundred years it has been allowed to remain untouched as one of the main principles of British finance..... The limitation is dictated by a wise recognition of a serious danger: It is a measure of protection against the easy extravagance of a large assembly—

I am sure we all agree that this applies here now.

The House well knows how real the risk would be were each member entitled to use his eloquence and tactical ability for the purpose of calling the public credit of the country and its taxpaying capacity to the aid of any object in which he was interested.

We may have in mind, for example, Belle River at the present time.

State expenditure ought to be the expenditure of the responsible administration.

I submit, for the reasons given that the point of order raised by my right hon. leader (Mr. Meighen) is well taken; and I urge that the House should be cautious in permitting any innovation in relation to so valuable and important a rule and one of such long standing.

Mr. SPEAKER: On Thursday, April 24, Mr. Woodsworth (Centre Winnipeg) closed his speech on the motion for the committee of Ways and Means by moving an amendment which was handed to me in order that I might put the question. It struck me as objectionable both in its form and subject matter. I always had some misgivings about the regularity of a similar amendment moved last year by Mr. Forke (Brandon). which, I think, might have served its purpose equally well had it been made less specific; for such motions, in order to be entertained, must be framed in abstract and general terms. Using my unquestioned authority in such a case. I conferred with the mover who agreed to make the necessary corrections.

This circumstance was admitted by Mr. Woodsworth on the floor of the House last Friday when he said:

In consultation with the Speaker and the authorities of the House—

Meaning the officers.

—I consented to make such changes in the resolution as seemed to be necessary or advisable in order that it should conform more nearly with the accepted usages of the House.

May, at page 247, says:

Even when notice of motion is not required—

As in the present case.

—the motion should be placed, in print or writing, in the Speaker's hands; as, except in the event of any informality in the form of the motion which may necessitate the Speaker's intervention, or may compel him to decline to put the question from the chair, the Speaker puts the question in the words of the mover.

An eminent authority, I may say, Redlich, Vol. 2, page 221, declares:

The possibility of the Speaker's refusing to allow a motion to be voted upon can only arise in the case of motions which are out of order either in their subject-matter or in their form. Such are motions which contain unbecoming expressions, infringe the rules of the House or contain reflections upon a vote of the House. Irregularities of this kind, may, under the Speaker's authority, be corrected by the clerks at the table.

Cushing, No. 1,233, says:

When a motion has been made merely, but not yet proposed or stated by the Speaker—

Which was the case in the present instance.

—the mover may withdraw, or modify it at his pleasure. This, consequently, is the time at which objections to motions, especially in point of form, are usually made, either by the Speaker, or by other members; upon which the mover may either explain and insist upon his motion, as it stands, or he may withdraw it altogether; or, adopting the suggestions for amendment, may modify it at his pleasure; and this power of the mover may be exercised, as it seems, without reference to his seconder, if the motion has been seconded.

I could either have ruled the amendment out of order or accepted the corrected draft. I deemed it advisable to follow the latter course, and in doing so I actually observed the customs and usages of this House. Had the question been put, I should certainly not have allowed it to be altered, because once the Speaker has stood up and read a motion

or amendment, it ceases to be under the mover's control and can only be withdrawn by leave of the House to be granted without any negative voice, under rule 43, as so aptly remarked by the hon. member for Bonaventure (Mr. Marcil) speaking on the point of order.

As to the second objection raised by the right hon. leader of the opposition (Mr. Meighen) namely, that such a motion can only be made by a minister with the recommendation of the Crown, the theory is the same whether the motion relates to imposition of taxes or expenditure of public money, but it differs as to reduction of taxation. The amendment asks both for a reduction of certain customs duties and the taxation of unimproved land values. The decision given by Mr. Speaker Denison in 1858 settles the question as to levying new imposts or voting money which is governed by exactly the same principles. This most eminent authority said that there were indeed precedents in which the House had given an expression of its opinion that a certain vote of public money should be made; but it remained for the House to decide how far such intimations of opinion should bind it in the future course which it might adopt. Such intimations certainly created no new charge on the public, but they led to no practical result, and the whole question had to be begun again de novo, and to pass through all the forms of the House. (British Debates, 3rd Series, Vol. 151, p. 1,168).

I may cite the following British precedents of motions made by private members for the expenditure of public money:

On the 9th July, 1858, the House carried an amendment expressing the opinion that the cost of the purification of the river Thames should be borne by the consolidated fund and the metropolitan ratepayers in equal proportion (Commons Journals, p. 113).

On the 24th April, 1863, it carried an amendment stating that the government should give sailors' homes such pecuniary assistance as in its judgment and discretion may be advisable (Commons Journals, p. 118).

On the 30th June, 1869, it adopted a motion stating it was expedient that the judges upon whom new duties and responsibilities might be imposed should receive additional remuneration of 300 pounds a year. (Commons Journals, p. 124.)

On March 13th, 1890, it carried an amendment that it was expedient that all deficiencies of the equipment of volunteers which were necessary to efficiency, and all debts of corps properly incurred on account of the same, be made good from the public revenues. (Commons Journals, p. 145.)

There are, as we know, several Canadian precedents.

My immediate predecessor, Mr. Speaker Rhodes, said from the chair, on March 16, 1921,—and I agree with him—:

> Taking the general view, it does seem to me that if the House were unduly to restrict hon. members in moving motions of this character it would serve to circumscribe debate to a very marked degree, because after all few resolutions are moved which would not in themselves, if carried into effect, involve the expenditure of public money. It seems to me the better principle would be to widen the rule as much as possible in order that the sense of the House may be taken upon these matters, it being understood in all cases that these resolutions merely involve an expression of opinion on the part of the House and that they do not affect the constitutional method of placing upon the government the responsibility of initiating all legislation which has for its object the expenditure of money.

The private member's right to move for a reduction of taxation suffers no limitation under our parliamentary rules and usages. May, at page 469, says:

> It follows as a matter of course that a motion to alleviate the burthens upon the people is not within the scope of the standing orders relating to the imposition of charges upon the people. A bill for diminishing or repealing a tax or other public burthen, unless the imposition of a new tax is proposed by way of substitution, is introduced without the royal recommendation or preliminary committee stage. Amendments, also, strictly confined to relief from pecuniary burthens, can be considered both in committee and with the Speaker in the chair.

And at page 506 he says:

> Proposals to reduce a burthen upon the people may be made in the House or in committee, no special form of procedure being prescribed for such a motion or for the introduction of bills which are strictly confined to the reduction of a tax or charge upon the people.

On the 18th May, 1920, Mr. Fielding—one of the oldest members of the House and, I must say, a very eminent authority on parliamentary procedure—moved an amendment on the motion for the committee of Ways and Means, specifically asking for a reduction of the customs duties on the instruments of production in the industries based on the natural resources of the Dominion.

On the ninth of June, 1919, Mr. McMaster moved, inter alia, in amendment to Sir Thomas White's budget proposals:

> That the tariff should be so framed as to free the food of the people and the machinery used in the development of the natural resources of Canada, together with the raw material entering into the manufacture thereof.

It is true that rule 46 was overlooked in this case, but nobody suffered any prejudice or injustice from the fact. Whether or not the

House was apprised of any irregularity in the motion would not have divested Mr. Woodsworth of his right to modify it before it was put from the Chair. No member could force him to go on with it in the form in which he first read it, and he did not need the unanimous consent of the House to withdraw it as long as the House was not seized of it. So that the non-observance of that rule does not affect the situation in any way whatever, and it cannot be said to have prevented the discussion of any point of order, as it is well known that such a point can be raised at any time, even in the course of debate. This rule is more particularly a rule of practice and it cannot affect the rights of members as long as its non-observance does not cause any prejudice.

In accordance with these authorities and precedents, I must rule that the amendment as put by myself from the Chair is in order. The amendment which was handed to the Speaker on Friday by the hon. member for Kent (Mr. Doucet) is therefore out of order, because no two amendments can be moved to the motion that the House go into committee of Ways and Means.

Mr. J. G. ROBICHAUD (Gloucester): It is not my purpose, Mr. Speaker, to add extensively to this debate. If, however, I crave the indulgence of the House for a few moments I hope that I shall command the generous forbearance of hon. members. It is certainly with the greatest regret that we note the absence of the right hon. Minister of Finance (Mr. Fielding). The tidings of his illness came as a shock to the whole country, especially at a time when his great financial abilities were almost indispensable. I join with other hon. members of this House as well as with the people of the country generally in wishing him early and complete restoration of his health.

An event of great consequence was the visit to the Maritime provinces during the recess of parliament of their Excellencies the Governor General and the Lady Byng of Vimy. Never in the history of my constituency have distinguished visitors attracted keener interest. Received with an open heart by the clergy of all creeds and denominations, cheered by the multitudes of the people, acclaimed by the school children, Lord and Lady Byng of Vimy found a place in their hearts for every one who greeted them. I wish to avail myself of this first opportunity of expressing publicly the deep sense of gratitude which I feel in the signal honour which has been bestowed upon us and to express the wish that the striking spirit of democracy displayed by the vice-regal party amidst my French constituents of the county of Gloucester may serve only to strengthen our adherence to and our love for British institutions.

Much has been said since the opening of the session in connection with the by-elections in the provinces by the sea. One of those elections at least has been the cause of a great column of smoke. The hon.

4. p.m.

member who was successful in the election in the county of Kent certainly deserves our best congratulations on his pluck and his perseverance as a politician. I admire his fine qualities as a debater, and his personality is almost faultless. But Mr. Speaker, I cannot refrain from giving the hon. member a little bit of warning with respect to his aggressive inclinations and urging him to assume an attitude of moderation, an attitude that will win for his constituency the sympathy and good will of parliament. While I hold no brief for hon. members who have been guilty of the atrocious crime of laying bare the errors of the late administration, especially those committed under the leadership of the present right hon. leader of the opposition, and while I dislike acrimonious attacks as much as anyone, especially as between members of parliament, yet I am of the opinion that the people of this country cannot and will never forget the workings of the 1917 War-time Elections Act and its disregard for the sacred principles of responsible government as well as its violation of the confederation pact. Nor will the people of Canada ever forget the lost opportunity of 1911 when through a campaign of class against masses, of camouflage in lieu of true light, the electorate were led into an error that will always be regretted. We cannot forget, either, the situation in which we were left in the fall of 1921, and in an attempt to render his movements more strategic the right hon. leader of the opposition has just placed in the hands of the only representative of the French element to your immediate left, Mr. Speaker, an amendment prescribed by the caucus of his party. I believe that the hon. member for Kent (Mr. Doucet) is treading on unsafe ground, first, in trying to defend his party from the just retribution which is its due, and second, in committing for all time to come the peaceful peasants of the good old county of Kent to a policy of protection. I am certain, Mr. Speaker, that when the time comes the electors of the county of Kent, whose interests are absolutely identical with those of the constituency of Gloucester, will not fail to put him on a better path, and that they will do this with quite a sharp turn.

Much has been said throughout the press and otherwise about the so-called Maritime rights. If such rights exist, and I believe they do exist but only in the abstract, it would be interesting to note who have been responsible for whatever is wrong. Hon. gentlemen representing New Brunswick constituencies who sit to your immediate left, Mr. Speaker, have, at meetings in the constituency of Kent and in the city of Halifax, taken the ground that the present government should be saddled with the responsibility for whatever may be wrong with the present status of the Maritime provinces. But my contention is that those provinces are now suffering from the evils inflicted on them during the ten years of maladminstration which preceded the election of 1921. By the terms of confederation we were given a railroad which was to unite us more closely with the Upper and Lower Canadas of that day; the object was to repay us for the concessions we had to make in the interest of our sister provinces in the West. But what happened? In 1915 legislation was passed with the intention of taking over branch lines, and especially in the Maritime provinces. The purpose of the legislation was good but in giving effect to it the policy was overdone. Certain interests that had made large investments in railways and practically lost those investments manifested a desire to feed at the public crib. In 1917 a policy of nationalization of railways was embarked upon by the federal administration of the time, and the Maritime provinces saw the Intercolonial, a road which was built to give effect to the confederation pact, taken from them and merged into the great National system. That action constitutes part of our grievances in the Maritime provinces. I submit that the Intercolonial railway—which as I already said formed part of the inalienable property of the Maritime provinces—which was built to promote the best interests of that part of Canada, should have been left intact to carry out the object for which it was constructed. An analysis of the stand which hon. gentlemen opposite from New Brunswick have taken indicates that they have been actuated by partisan and not disinterested motives. We know where the trouble lies for the present condition of affairs and where the remedy can be found. Much has been said with respect to the rights of the Maritime provinces, but I doubt whether any one party holds the brief to defend those rights. My hon. friend (Mr. Baxter) and the hon. member for Kent have thrown upon the present government the blame for the grievances which exist to-day and have practically made the issue a political one. Now, to show what serious minded men in the Maritime provinces are thinking about in regard to those provinces and their rights, and the direction in which they think a remedy can be found, I am going to quote what the Hon. C. W. Robinson, a man of great experience and clear vision, who is now Minister of Lands and Mines in New Brunswick, stated in a communication which was published by the St. John Telegraph in January last. I want to read the statement just to show that the question of rights of the Maritime provinces should not be considered a political football, but rather that it should be treated in a serious light by the men of all parties and regarded as too sacred to be dealt with in a political way. This is what Mr. Robinson said:

> Our influence is naturally declining along with our proportion of population. In 1867 we had, roughly, one-quarter the population of Canada while to-day we have only one-eighth. And the outlook of the future does not indicate any improvement. Under the B.N.A. Act, unfortunately, as provinces are not treated alike. British Columbia, for instance, was safeguarded against a reduction in representation, while we have no such protection, and our representation is diminishing. With such a situation staring us in the face, our people are not happy. We are peculiarly sensitive to any action on the part of the Dominion which seems to encroach on what we consider our ancient rights and privileges. The flamboyant prophecies of the Fathers of Confederation as to the future development of our harbours have not materialized. These harbours are convenient national terminals in time of war, but Portland, Maine, looms large in times of peace. When car shortage becomes acute, it is the Maritimes which suffer most. The cost of transportation hems us in—this is not an unmixed evil—it is driving large business houses to establish centres of business in the Maritimes, on the one hand while on the other it cruelly handicaps those local industries which desire to extend their trade to the west. Perhaps we should turn our eyes oceanward and seek to reap some of the advantages of the Maritime position.
>
> Some of us thought that freer trade with the States would help out the situation, but the verdict of the people closed that door most effectively.

Mr. Robinson goes on to say:

> Recently some progress has been made in improving our condition. The establishment of the Atlantic region of the C.N.R., with headquarters at Moncton, was a long step in advance.
>
> The encouragement of our winter ports and giving them a preference under the Fielding tariff is already having its effect. The car shortage seems to have been remedied. The efforts now being made by the C.N.R. to develop greater tourist travel in our direction is bound to have a beneficial result. It is in the power of the railway to do much along this and other lines which will contribute to greater progress and prosperity for this part of the country, and I have confidence that the future will show that they are fully seized of their responsibilities, and in their own interest will assist greatly in our development.

We must realize that national conditions demand that some economics be made. While it is necessary and quite proper for us to keep before the rest of Canada the matters which are so vital to our people, we must also think in wider circles, take pride in our country as a whole, get busy, forget our troubles, take advantage of our many opportunities, and go forth to fill our place in the larger prosperity which, I believe, is slowly but surely coming our way.

This, Mr. Speaker, is to show this House and the country what little, if any, shade of political partisanship our public men of New Brunswick are introducing into this question of Maritime rights. The Hon. Fred. Magee, the minister without portfolio in the New Brunswick legislature, a man standing high in the esteem of the people of the Maritime provinces, a man who has made a special study of Maritime rights, and whose opinion is regarded as commensurate with his immense business ability, gave the following opinion in an article he published in the St. John Telegraph Journal on the 19th January last. Referring to Maritime rights and political partisanship, the hon. gentleman, in referring to a serious question which had been put to him by the editor of the Journal, said:

In reply to your question number two as to what is the best way to secure our "rights," so called, permit me to say that we must have abolition of the doctrine of Maritime rights as a party dogma. It is a Maritime, not a party matter. No party includes all the Maritime patriots and no party should so imagine. Let this be understood. Our federal representatives should co-operate, as party allegiance is not a means to an end, in this case. Careful, sensible, practical, straightforward, impersonal, unemotional and non-partisan presentation of our case at opportune times by those we send to Ottawa is essential. Federal members please note.

In conclusion I still maintain that legislative union with Nova Scotia should be consummated that we may wield greater power and influence in the National council of Canada in which Maritime statesmen have always played a prominent and important part.

I may interject right here, Mr. Speaker, that the Hon. Mr. Magee, is a fervent believer in Maritime union. I doubt very much if he is right in his belief, but after all it is very pleasant to know that he has, in the representatives from Nova Scotia on the floor of this House, quite a number of supporters in this regard.

It has been stated that this government had neglected to take care, or had refrained from taking care, of the rights of the Maritime provinces. It has also been stated that this government was going too far in its policy or in its endeavour to maintain public works in the Maritime provinces. It has been further stated that the matter of public works was becoming a public scandal. These public works have even been termed the notorious pork barrel. I wish to take exception Mr. Speaker,

to these insinuations. It matters not whether they come from Grattan O'Leary, or whether they have been inserted in MacLean's Magazine, the Montreal Star, or the Moncton Times, I claim these insinuations reflect upon the honesty of my constituents as well as upon the honesty of the representatives of the country. In support of my assertion, Mr. Speaker, I may say that when the late administration went out of power on the 4th August, 1911 the fishermen of the county of Gloucester enjoyed a large amount of protection in the way of public accommodation. A good start had been made in the improvement of our harbours, and industry itself was in a very flourishing condition. Much has been said about what has been recently termed, as I said before, the pork barrel. MacLean's Magazine was especially to the fore in articles relating to the doings of this government is looking to the upkeep of those public works in the Maritime provinces. My constituents in the county of Gloucester regard these insinuations as a reflection upon their integrity and loyalty as citizens of Canada. If we want to reconstruct or put our public works on a sound footing, it is because our people desire to pursue their occupations and to remain in the country. It is because we, in the county of Gloucester prize more than anything else the old homestead, and those parcels of the historic land of Evangeline, which were allotted to the sturdy fishermen of the Maritime provinces.

To demonstrate our position before the House and the country, let me enumerate different public works which had been neglected under the late administration, and point out to you the condition in which we found them when the late government went out of power. Of course these details are not very pleasant to listen to, but I want to make clear my point on this subject, and to show that we are not indulging in the county of Gloucester in the luxury of the so-called pork barrel. I want to make it plain that if we want our share of the public money, it is because of our industrial needs, because our fishermen, through their patriotism, desire to remain in the country, because they wish to eke out a fair living for their families, and because they are engaged in an industry which must be maintained for the benefit of Canada.

In enumerating the different public works which have been neglected by the late administration in Gloucester county, I may mention first the Miscou wharf built on the north shore of Miscou harbour where the Baie des Chaleurs herring industry is carried

on most extensively. Situated on the island of Miscou, this wharf was built some 20 years ago and it was of the greatest service to the one thousand inhabitants on that island. In 1921 we found that the superstructure of that wharf was almost completely gone and crumbling into pieces. I would ask any hon. member if he thinks it would be an extravagant expenditure to keep up and repair that wharf for the benefit of those poor people. Some $10,000 will have to be spent by this government: $1,000 two years ago, $3,000 last year, and the House will be asked to vote a further sum of $5,500 this year in order to complete the repairs upon the Miscou wharf. If we have to spend $10,000 to repair a structure which cost the government some $30,000 to build, is it not undeniable evidence, that public works were shamefully neglected by the late administration?

We have another wharf some few miles away at Petite Lameque, where a large fleet of fishing vessels are engaged in the fishing industry. It was found, when the late administration went out of power, that the flooring of that wharf was practically all gone and that it had to be rebuilt immediately. In that instance, we had to spend two years ago a further sum of $2,000 out of the public treasury. At Lameque where we have one of the most important groups of fishermen in the Maritime provinces and where at the expense of some $80,000 of public money a public wharf had been built under the Laurier administration, it was found, as I say, that the structure was broken up, the flooring was gone and the stringers were breaking through, I may state also that the caretaker of that wharf during the late administration wrote to the Department of Public Works telling them that the wharf was in a dangerous condition and, as a reply, he received orders to close the wharf if it was dangerous for public use. That is the kind of regard that the late administration had for our fishermen in the county of Gloucester.

At Shippigan, we found a wharf altogether too small for the great bulk of business that was being carried on there. The wharf was congested from one end to the other. Repeated demands had been made upon the late administration to have the evil remedied, but as in other cases in the constituency of Gloucester, the late administration turned a deaf ear to our legitimate demands. The result was that this government at the last session of parliament caused to be voted a further sum of $7,000 to enlarge and repair the wharf at Shippigan. Under the judicious supervision of the present Department of Public Works, there has been created at Shippigan, at a very trifling expense, one of the finest fishing docks in the Maritime provinces, a dock that can shelter the whole of Gloucester county's magnificent fishing fleet, a dock which is absolutely necessary for the benefit of the people there, and a dock which is certainly a credit to the present government.

At Caraquet—and I am sorry the hon. member for St. John city and counties of St. John and Albert (Mr. Baxter) is not in his seat when I make mention of this structure—we found a great fishing fleet without a wharf on which to land their fish. We found that the old government wharf had crumbled; that all but two or three of the spans were broken. The fishermen were left without a wharf, and it was up to this administration to come to their aid and spend at Caraquet a further sum of about $30,000 in order to enable them to pursue their occupation. The hon. member for St. John city, in his visit to Caraquet last year, while trying to reinvigorate the fragmentary remnants of the Tory party in my constituency, paid a visit to that wharf, and he admitted that the poor fishermen of Caraquet were in a very undesirable plight. The result of my effort in this regard is that a sum of $27,500 has been placed in the main estimates of this year for the reconstruction of that wharf, and I sincerely hope that when this money is voted, neither the hon. member for St. John city nor any other representing his party in New Brunswick, nor Grattan O'Leary, nor the Montreal Star, nor MacLean's magazine will throw in the face of the people of Gloucester county that this wharf has been built for the purpose of capturing the votes of my constituents.

I am about half through with wharves in the county of Gloucester. The fishing industry of my constituency amounts to over $3,250,000 a year. We have engaged in the industry a large fleet of fishing boats owned by men who with their predecessors have followed that industry for over a century, and I maintain that is is the duty of this government to keep that industry in such a shape as to encourage those who are engaged in it to continue to pursue their occupation and to remain within the bounds of this country.

At Inkerman, when I was given the honour to represent my constituency, I found the farmers and fishermen were forced to use sleds drawn by horses to land the fruits of their labour, the products of the sea. I found that those who were not equipped with a horse and sled had to land their fish over the railing of the highway bridge. I made cer-

tain representations to the Minister of Public Works (Mr. King, Kootenay) upon the strength of which there was built at Inkerman a wharf that greatly accommodates that very progressive little village. This wharf was made available to my constituents at Inkerman at the nominal cost of $3,500. At Grande Anse we find that a dock which was built by the Laurier government prior to the elections of 1911 had been left absolutely without repairs throughout the whole administration of the late government, not a dollar having been spent upon it. The basin has been allowed to become silted in those places where vessels of any considerable size should be able to come in, so that where formerly there was a depth of from ten to fifteen feet of water we find to-day that our poor fishermen are obliged to use rowboats instead of fishing schooners, for there is no more than from two or three feet of water.

Now, in spite of the large expenditures to which this government is subjected, I am bound to say that the necessity for further expenditure at Grande Anse is becoming increasingly keener. We have there a class of fishermen who are second to none in the Maritime provinces; but they have had to abandon their occupation and are now leaving our country and going to the United States. This is due to no fault whatever of the present government but to the neglect of the late administration; for the country cannot afford to spend a further amount of between $30,000 and $35,000 in order to alleviate the difficulties that are being felt in that vicinity at the present time but I hope that the time is not far distant when this work will be undertaken and carried to completion. At Stonehaven, I heard a few days ago, the structure of the wharf has gone and, that it must be rebuilt, and rebuilt without further delay. At Petit Rocher, at the time the late administration went out of power, the breakwater, owing to the action of the sea, was breaking in, and had to be repaired by the present government at a cost of some $14,000.

An important matter that interests my constituents is the protection which is necessary for the fishermen at Shippigan gully, which is the eastern entrance of Shippigan harbour. Shippigan gully is the only shelter between the Gaspé coast and Miramichi bay, for the eighteen hundred fishermen of Gloucester county who are engaged in the fishing industry; there is no other place where our fishermen can put in in case of a storm. This passage has been so badly neglected that in 1913 some fourteen fishermen lost their lives off the island of Miscou. This unfortunate fatality was inevitable inasmuch as the fishermen could not depend upon Shippigan gully as an entrance in the darkness of night. I brought this matter to the attention of the present Minister of Public Works and also to the attention of the Department of Marine and Fisheries with the result that the lighting and buoy system in Shippigan gully has been so improved that it is one of the best that we have in eastern New Brunswick. I have enumerated the improvements that have been made, as well as the difficulties which our fishermen have laboured under in the past, in order to show to the country that after all this so-called pork barrel is not a vote-catcher but is an absolute necessity for the pioneer settlers in the Maritime provinces.

Before I resume my seat I desire to deal for a few moments with the budget, and I trust that hon. members will not tax me with exceeding my privileges. The study given to the budget by hon. members who have already spoken is commanding the keenest interest of the public, and from what I have been able to gather it would seem that hope and courage, perseverance and endurance will be restored in this land which we have learned so deeply to love and cherish. Apart from the pessimistic views expressed by hon. members to your immediate left, Mr. Speaker, there is a general manifestation of contentment and satisfaction in the tone of our deliberations; and this manifestation, displayed as it is by the majority of the representatives of the people, is an undeniable evidence of the feeling which is being credited throughout the country by the efforts of this government to extricate it from the predicament in which it was placed by the late administration

It has been abundantly demonstrated that the tariff reforms brought down by the Acting Minister of Finance (Mr. Robb) are quite acceptable to the people of the country and that they are perhaps the best that could have been submitted for our consideration. An analysis of the budget by an unbiased mind will readily show that a great measure of relief is afforded the common people of Canada, who have suffered more than any other class during the period of deflation which has so seriously undermined their position in this country. A substantial reduction in taxation will be enjoyed by the poorer classes, and a large measure of confidence will be created throughout the country, confidence which will have an immediate effect upon the exodus of our people and which will stimulate business and hasten a much needed return to normal. It has been clearly demonstrated that several years of tariff stagnation have been very detrimental to Canada. There was the greatest evidence of this during the

period that elapsed from the termination of the Great War to the defeat of Toryism in 1921. The Canadian dollar had depreciated to an alarming extent, an adverse balance of trade was in evidence, Canadians were losing faith in themselves and unity of strength was lacking as between the different elements of our population. This situation, Mr. Speaker, could not be remedied overnight. It speaks well for this government, that conditions have taken such a decisive and sure return to normal. That the fiscal policy of this government will stimulate this reaction is a foregone conclusion. Surely, Mr. Speaker, no one can deny the fact that the immediate help given to our basic industries by this budget will bring better days to Canada and its people.

It is very interesting to note how easy it is to set the whole political machinery working when an attempt is made to free the common people from the burden of taxation, when such reductions will reflect either directly or indirectly upon the big interests. If hon. members will recollect the campaign launched by the press to defeat reciprocity in 1911, it can very well be stated that the same propaganda is about to be let loose, that the press supporting my friends opposite is ever ready to camouflage the issue in an attempt to mislead the masses of the people.

Already it has been said that manufacturing concerns have had to close their doors as a direct result of a reduction in the import duties. If the reductions suggested in the budget—reductions which are partly upset by a rebate in the cost of raw materials—will force these manufacturers to discontinue their operations, I cannot but infer that these industrials are not imbued with that spirit of courage and determination which should characterize every true Canadian citizen. If our manufacturers cannot loyally and fearlessly put their hands to the wheel and help to alleviate the heavy burdens placed on the shoulders of our people by the extravagant expenditures of the late administration—if they cannot forsake some of their profits in order to stimulate business in Canada, if they cannot muster together enough of self control, enough ingenuity, enough of that resourcefulness which we must reasonably expect the business men of this country to possess in order to carry on their business and overcome the obstacles which they profess to find in these tariff reductions—how then can they expect the farmers of the West as well as those of the East, to support the heavy burden which is imposed upon them by customs duties and otherwise? How can they expect a man with a family of ten or twelve, such as we so frequently find in the provinces of the East, to subsist on the meagre salary of a bushman or the scant revenue of a small farm, and pay into the pockets of the manufacturer large proportions of their earnings so as to increase the earnings of these latter to such an extent that millions of dollars are now available to wage war against the consumers.

The time is opportune, Mr. Speaker, for the country to grasp the situation with a true sense of Canadian citizenship. Never has the opportunity been so favourable to unite under one policy, under one flag, the destinies of our country; and for this reason and in the fulfilment of my most sacred duties towards my electors and my country it will be my pleasure to give my wholehearted support to the budget.

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, I join most heartily in the expressions of sympathy for the Minister of Finance (Mr. Fielding) in his serious illness, and in the hopes which have been expressed that he may soon be in his seat again. May I at the same time express a word of sympathy with my right hon. leader (Mr. Meighen) who has sustained such a serious affliction within the past few days? My sympathy is all the stronger, Sir, in view of the fact that during the past two months, although a very busy man, I know that he always made time to visit his sick father at least twice or thrice every day.

In looking over the budget which is now before the House, Mr. Speaker, anyone who is at all fair in his estimate must, I submit, after considering its various aspects, come to the conclusion that if the budget is accepted and endorsed by the country at the next election, it is the forerunner of free trade for the Dominion.

Some hon. MEMBERS: Hear, hear.

Mr. MANION: I hear some applause from hon. members to my left. Therefore apparently they are hoping that this will be the case, and as they are in a position to command they will probably see to it that this result follows. If this budget is accepted and endorsed by the country, it will be a departure from the fiscal policy which Canada has enjoyed from 1878 to 1923. I use the word "enjoyed" advisedly, Sir, because anyone who looks over the statistics showing the progress which this country has made on the whole from 1878 to the present time must be convinced that Canada has had a fair share of prosperity during those years.

I may be asked on what I base my statement that if this budget is accepted and endorsed by the people it means free trade for Canada. I base my assertion upon two main points. First, upon the slashing cuts in the tariff on many lines of goods which have been made by the Acting Minister of Finance (Mr. Robb), cuts which, to my mind, are more marked than any which have ever been made in the tariff in any previous budget. Secondly, upon the speeches of those who have preceded me in this debate: Upon the speech of my hon. friend the Minister of the Interior (Mr. Stewart) in which he, as the first member of the government speaking after the budget was delivered, in a carefully prepared statement, said that he hoped this budget was the death knell of protection in Canada; upon the speech of the hon. minister without portfolio from Prince Edward Island (Mr. Sinclair), who took practically the same attitude; upon the speech of the hon. member for Pontiac (Mr. Cahill), who congratulated the government on the tariff cuts and hoped that the duty on boots and shoes might be reduced next; upon the speeches of my hon. friends to the left who have rejoiced in the tariff cuts, and have rejoiced also in the hope that further reductions will come in the near future, pointing out that the present reductions were only a beginning. As I stated a minute ago, the Progressive party is in a position of command at the present time; the government cannot retain power without the support of the Progressive party in this House. I say therefore that no party could carry out such a policy as this without the support of my hon. friends to the left. Consequently, being in a position of command, and being sincere in their views in regard to free trade—as I give them credit for—I submit there are very sound grounds for assuming that if this budget is accepted and endorsed by the people it means the beginning of free trade for the Dominion.

At the same time, Sir, there is, I think, great satisfaction in the minds of public men generally that at last this issue is clearly defined. I feel that it is an advantage to the people generally to have this issue defined in such a way that free traders will have to take one side of the political fence and protectionists the other side. No longer will hon. gentlemen like the hon. member for Brantford (Mr. Raymond), the hon. member for North Waterloo (Mr. Euler), the hon. member for St. Lawrence-St. George (Mr. Marler), the hon. ex-Minister of Justice (Sir Lomer Gouin) and other hon. gentlemen in the Liberal ranks be able to take the attitude of protection in their own constituencies, knowing that free trade is being preached in other constituencies, but feeling assured that if the party which they are supporting should win no damage would be done to the industrial interests of this country.

Sir, no longer will those who stand for a tariff for revenue be able to say that they hope there will be enough incidental protection to take care of the industries of this country. As a matter of fact a tariff for revenue is not protective at all: it is a false term when used by any hon. gentleman in this House or out of it as indicating in any way a protective tariff. A tariff for revenue is such a tariff as Great Britain has to-day; it is a free trade tariff, if I may use the expression—though it was stated, I remember, by someone in the last election that that was not a proper term. I submit that it is, Sir, because a tariff for revenue means a tariff upon luxuries, which can be imposed under any system, a tariff upon goods which are not produced in the country, as in England they raise five-sixths of their customs revenue from imposts upon sugar, tea and tobacco, which for the most part are not produced in their own country. But if there is any tariff put upon goods which are produced in the country, then a compensating excise duty must be put upon the commodity produced at home in order to take away any element of protection. So that our tariff for revenue men will not be able to claim that they are protectionists.

It must be a source of satisfaction to the people of the country to feel that in the next election they will be able by their voice and vote to say which policy must be accepted and carried out in the Dominion of Canada. No longer will the Liberal-Conservative party be accused of dragging in the free trade bogey by the scruff of the neck, as they have been accused in the past, because the government in power to-day, by their marked cuts in the tariff, by their promises of more to come, and by their expressed hope that this is the death knell of protection, have defined the issue upon which the next election will be fought in this country, and the people will decide the result. So I believe we may congratulate ourselves, Mr. Speaker, upon the defining of the issue, upon the fact that we are now at least out in the open, and that the people, not this House, will settle this question finally.

Believing, Sir, in protection as the best policy which Canada can have, believing in

the dangers not only commercially and economically but nationally to Canada in a policy of free trade, I have no difficulty in taking sides on this question. I find myself happily associated with the group in this House who have since 1878 stood for a protective policy for Canada. Neither will my hon. friends to my left, out and out free traders, as most of them are, have any difficulty in taking sides on this question. But there are a number of hon. gentlemen in the Liberal party who call themselves protectionist Liberals who will have to come out in the open and take sides either for free trade or for protection. So that

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the government may be congratulated, in a sense, upon having unconsciously defined the issue, even though they have done so much damage to the industries of this country.

There have been more complaints about this budget than have been offered in respect of any budget previously brought down in Canada. The farm implement manufacturers have complained, the wagon manufacturers, the steel manufacturers, the paint manufacturers—these have complained about what has been done; and the boot and shoe and the woollen manufacturers have complained about what might have been done to help them that has been left undone.

There is one quality in this budget upon which I should like to congratulate the Acting Minister of Finance (Mr. Robb) and one quality alone, and that was its brevity, because, Sir, if he did so much damage to the industries of this country in forty minutes I find myself fearing what he could have done had he gone on for an hour and a half. It is said that brevity is the soul of wit. I must confess that I find very little either of wit or of wisdom in this budget. It is a good deal like nitro-glycerine, of which a small amount can cause a great deal of damage: this budget has done more damage in less time than any budget which has ever been produced in Canada. I imagine it was a rather difficult budget for the Acting Minister of Finance to produce, because those of us who have known and liked him for the past seven years or so in this House have looked upon him as one of the outstanding instances of the protectionist on the Liberal side. Of course, I do not suppose any one of us has the right to object to the Acting Minister of Finance standing on his head, but we do object to his standing the whole industrial life of Canada on its head.

Now, Sir, dealing with the budget, I should like to ask what there is in this budget which will do any good to the people. It might be answered that the cutting down of the sales tax will do good. Well, I am not quarrelling with that; I submit that if the sales tax could be cut off altogether it would probably be for the benefit of Canada. But that is only naturally getting away from taxation as we get away from the war; it has nothing to do with the tariff cuts. And what have the tariff cuts done? I shall give my own opinion, for as much as it is worth, but such as it is I must lay it before the House. The tariff reductions will first of all benefit the United States industries concerned. Secondly, they will injure seriously, if not ruin, the Canadian industries affected, and they will depress all other industries, because no industrial leader knows today when the government will feel it necessary to cut off his head and throw it to the wolves in order that the administration may be kept in power. Thirdly, they will discourage, if not halt, the investment of Canadian money in industrial enterprises, because if there are two things which those require who invest in industrial enterprises, they are security for the present and stability for the future, and there is neither security not stability in this budget. Fourth, they will increase unemployment in Canada; they will drive more of the artisans and workingmen of Canada to the United States and so diminish the home market for the farmers, particularly in Ontario and Quebec. Someone has said, I think it was the ex-Minister of Finance (Sir Henry Drayton)—and it was a reasonable statement—that the men who left this country would, had they been employed here, earn an average of about $1,000 per annum each. As we lost 181,000 people last year, even dividing that number by two it means an annual loss to this country of from $100,000,000 to $200,000,000 per annum. In fact, it is one of the greatest exports we have, and I presume that next year this government, which has so little of which to boast and which boasts of so little, may probably boast that they have been the producers of one of the greatest exports in that regard. I notice that this year they included in their exports settlers' effects, the property of those who had permanently left the country.

What are the compensations to the prairie provinces for the destructive features of the budget? The most that any of us, even the most optimistic, could claim would be a reduction of a very few cents in the prices of farm implements bought by the people on the prairies. I submit that it is not the tariff that is injuring the prairie provinces. It is not the tariff which is bringing about a period of stagnation and depression in this

country—at least, not the high tariff. In fact, may I interject that under all systems, whether of free trade or protection, in any country we have from time to time periods of depression and stagnation. But the injury to the prairie provinces has really been brought about by four main conditions. First, the world conditions, the chaotic conditions of Europe which have destroyed markets, lessened the purchasing power of the people, and so to a great extent brought about the lowering of the prices of the products of the prairies. Secondly, there is the long haul over which the prairie products have to pass to the seaboard in order that they may be distributed to the markets of the world. Third, as claimed by the people of the prairies themselves, there are the marketing conditions, in respect to which they are proposing different pooling arrangements. Fourth, there is the lack of proper credits for the farmers of the West—that again is a claim of their own, and I put it forward for what it is worth; they claim there is an intermediate zone of credit which is not looked after. I suppose that any one of these four has a much greater effect upon the depression in the West than any effect that might be brought about by tariffs. The same conditions are injuring the wheat farmers of the prairie states, because they are in very much the same position as our own farmers in the West.

Then what is the object of the changes in the tariff? Sir, it is simply a mad desire on the part of this government to keep in power at any price. It is an attempt to purchase the votes of the West at the expense of the industrial East. Someone has described this budget as national suicide; I should like to describe it as national homicide, because it is a premeditated killing of the industrial East to gain the votes of the West.

It may be said that that language is too strong. Well, in view of the broken pledges of the present government in regard to tariff matters I do not think that the language is too strong. Let me in just a few words review those broken pledges: First, in 1919 there was the platform of the Liberal party under which free trade was proposed in many lines, but the whole was jettisoned as soon as the party got into power. Then, secondly, there was the Prime Minister's promise, quoted the other day in this House by the hon. member for Brantford (Mr. Raymond), that no legitimate industry would be injured if the Liberal party got into power. Certainly some legitimate industries are being injured at the present time, Then in 1922 there were a few minor cuts in the tariff with a promise of more to come, and in 1923 Mr. Fielding, realizing the danger of the course he was pursuing, made a few further cuts but stated that we had gone far enough and that stability was needed in this country if we were to have industrial prosperity. Then in 1924, in the Speech from the Throne, we have stability thrown to the winds and promises made of further tariff cuts. Then deputations came down and waited upon the Acting Minister of Finance and the government, and the Acting Minister of Finance and the Prime Minister, according to the press reports, practically promised to those deputations that they need not fear that they were going to be injured from a tariff standpoint at all. I hold in my hand editorials from strong protectionist journals congratulating the government on that attitude. However, only a few weeks later marked cuts in the tariff were announced in the budget. I do not think that a better illustration of confusion worse confounded could be given than the action of the government with respect to the tariff. I submit, Mr. Speaker, that the whole tariff history of this government has been one of deception, trickery, and vote chasing. It has been a course of promise and recant, advance and retreat, dodge and sidestep,—in fact it may well be considered a sort of improvised political fox trot: a few steps forward, a few steps back, a sideways glide, and then turn around.

May I, Mr. Speaker, now deal with the question of free trade and protection in this country? The question of whether we shall have free trade or protection in Canada is of the utmost importance to this country. I repeat it is of the utmost importance, not only commercially and industrially but nationally. Not only does our national prosperity depend upon this issue but our national destiny also depends upon it, because in the final analysis the decision whether we are to have free trade or protection in Canada will have a preponderating effect upon our relations not only with the British Isles but with the great republic to the south. Is not that logical? Once we come to depend upon the United States as a market for our raw materials—for our timber, for our fish, for our minerals, and so on—how are we going to maintain that market in anything like a stable manner without some form of union with the United States? Suppose that again in the future, just as at the present time, another high tariff party comes into power in the United States, and they adopt another tariff, just as high as at the present time or

even higher, against the raw materials and products of Canada, will not this country be placed in a worse position than it is to-day? And how then can we possibly retain anything like trade stability without some form of union with the United States? Sir, the policy of free trade if it were finally brought into operation in this country—as I think it will be if the people endorse the present changes in the tariff—would finally lead to the economic domination of Canada by the United States. It would then lead to Canada becoming a commercial appendage, a commercial adjunct as someone has said, of the United States. It would lead first to commercial union and then to annexation as stated by Mr. Taft and Mr. Champ Clark during the campaign for reciprocity.

Mr. HUGHES: Those gentlemen denied that they made any such statement.

Mr. MANION: I have their statements under my hand. I do not know that either of them has denied the statements which were credited to him.

Mr. HUGHES: Yes they have.

Mr. MANION: There are perhaps those in Canada who claim it might be a good thing for Canada from a material standpoint to be joined up with the United States, but I believe that even though it involves some sacrifices the vast majority of the people of Canada prefer to build up a great Canadian nation on the northern half of this continent. It might be well worth while to draw the prospect that opens before the people of this country to their attention; it might possibly be well worth while to draw that possible outcome to the attention of the people of the province of Quebec. The people of Quebec are probably the most sincerely attached to the British North America Act as it stands to-day. They do not wish to have any greater liberties than they enjoy; they do not wish to have their destinies committed to the care even of a majority of Canadians much less to a majority of Americans. And, Sir, it might be well for them to realize that if we accept free trade in this country we go a long way towards perhaps wiping out not only their industrial prominence in Canada, but also that which they value even more highly than industrial pre-eminence. I think, Sir, that most red-blooded Canadians believe in the building up of a powerful Canadian nation in this Dominion and are willing to make such sacrifices as are necessary to maintain it. They like the American people, I myself like them, but we object to being swallowed up by them, as we certainly will be if we allow ourselves to become entirely dependent upon the United States as a market for our raw materials and other products.

I have no doubt this attitude will be derided and sneered at by many people in this country, and perhaps by none more strongly than those who hope that prospect may come true. I should like to give some evidence of the statement I make, I should like to give some reasons—not as a flag-waving proposition at all—why I believe that what I have predicted will ultimately result. Let us look for proof to Cobden. When we discuss the question of free trade in England we naturally think of Cobden, the most outstanding example of a free trade apostle, in the English speaking world at any rate. Cobden's whole life, his eloquence, and his great ability were devoted to advocating free trade in the United Kingdom. His object was that not only should the United Kingdom continue to be a manufacturing country but that ultimately it might become the workshop of the world, that it should be put in such a position that it could dominate the manufacturing markets of the world. He made a statement that is well worth quoting. He said that if England adopted free trade, the whole world would adopt that policy in ten years and he added—and this is the point—"When the whole world has adopted free trade it will dig, delve and plough for England". That was his thought regarding countries that did not go in for manufacturing, for a broader national and industrial life. I submit, Mr. Speaker, that if this budget is accepted by the people of Canada, not only will free trade follow but Canadians will finally be placed in the position where they will dig, delve and plough for the United States. They will become hewers of wood, growers of grain and miners of minerals for the United States, and probably for some of the other industrial countries of the world; and any Canadian of courage, energy, enterprise who wishes to employ those qualities in other lines of industry will have to go to the United States to do so. In other words, such a Canadian will have to expatriate himself from his country and join the exodus of his fellow countrymen from Canada, an exodus which is already far greater than it should be and which will make the Biblical exodus by comparison look like a U.F.O. parade in the city of Toronto at the present time.

There is still another difference between the exodus of old and the exodus of to-day. In the exodus of the Old Testament the children of Israel were led into the land of promise by the wisdom of Moses. In the exodus of to-day the children of Canada are being driven

into the land of the Stars and Stripes by the voice of Jacob—the Acting Finance Minister.

I shall now deal to a little further extent with the question of protection. There is a tendency in Canada to-day to accuse any one who upholds the policy of protection of being a friend of the "Big Interests." That, Sir, is done in spite of the fact that if you look over the history of tariff legislation throughout the world you will find that the majority of great statesmen supported protection for their different countries, whereas a very small minority of statesmen in the world supported free trade for their countries. Let me just name but a few of the outstanding men the mention of whose names alone suffices to bring them to the recollection of the people of Canada. In the United States there were George Washington, Alexander Hamilton—perhaps the greatest finance minister the United States ever had—Henry Clay, Daniel Webster, Abraham Lincoln, McKinley and Harding to name only a few of them. Of the men that I have mentioned no nobler or more honourable figure ever appeared before the people of the United States or any other nation than Abraham Lincoln. In Great Britain Joseph Chamberlain and Arthur Balfour supported protection. In France that policy was supported by Colbert, who was the great finance minister during the reign of Louis XIV, and by Napoleon; and from 1865 down to the present day all the outstanding statesmen of France have upheld protection for that country. In Germany, Frederick the Great and Bismarck were supporters of protection, and all German statesmen down to the present day have continued to be protectionists. In Canada we had Sir John A. Macdonald and Sir Wilfrid Laurier. As to the latter statesman I make this statement: Notwithstanding any quotations that can be brought forward from the speeches of Sir Wilfrid Laurier he never made any move to introduce free trade into Canada.

Mr. HUGHES: Reciprocity which the hon. member supported.

Mr. MANION: Reciprocity, Mr. Speaker, was based on protection. Reciprocity was based upon the very fact that you have protection in this country. It was an exchange of favours with the United States. The United States was giving us favours in return for favours which we gave them. It was a reciprocal arrangement, and could not be carried out by any other than a protective country. Great Britain could not have reciprocity with any other country because she has free trade. Neither could we have reciprocity with any country if we were free traders. In addition to the fact that these men whom I have named, who are outstanding men in the history of the world, were all protectionists, there is the fact that all the countries of the world of any importance have prospered under protection, Let me mention a few of them. France before the war was one of the richest countries in the world, a country in which the wealth was more evenly divided than in any other country in the world. The agricultural and industrial life was more evenly balanced than in any other country, and it has had marked protection for over a hundred years, but certainly has had high protection from the year 1865. Germany, from the time of Bismarck in 1870, till the present time, was a highly protected country, and before the war she was not only rapidly catching up to Great Britain in many lines, but had surpassed her in some lines. She was selling more goods to most of the countries in Europe; and if she had had sense enough not to start the war, but to continue along peaceful lines, she would be probably the greatest commercial country in the world. The United States has been a highly protected country since 1861. Previous to that time the United States tried the principle of free trade three times, and on all occasions that trial was succeeded by times of panic, depression and stagnation. Since 1861 the United States has had a continuous period of protection, and I make the statement that in general prosperity, in developed natural resources and in the real wages and social conditions of the people and opportunities of life, the United States has been the most outstanding nation by long odds of any country in the world.

I have stated that all countries have built up their prosperity upon a foundation of protection. I some time ago made that statement in regard to Great Britain, and many hon. gentlemen on both sides of the House took occasion to differ with me. I wish to give two proofs very briefly of my statement that England built up her prosperity upon a protective foundation. I hold in my hand Macaulay's History of England, Volume 1. This history was published for the first time in 1848. It is a voluminous work, and there is a number of volumes. It must have taken Macaulay some years to prepare it. But he makes comparison in the third chapter, which I have here marked between conditions in England in 1685 and 1845, a period of 150 years. That would be rather a long period for Canada, but would not be a long period for England, because she has a thousand years of history behind her. I do not intend to read very much, though the whole chapter deals with a comparison of these different

periods, and bears out what I have stated, but I will read a few sentences:

Younger towns, towns which are rarely or never mentioned in our early history and which sent no representatives to our early parliaments, have, within the memory of persons, still living, grown to a greatness which this generation contemplates with wonder and pride, not unaccompanied by awe and anxiety.

The most eminent of these towns were indeed known in the seventeenth century as respectable seats of industry. Nay, their rapid progress and their vast opulence were then sometimes described in language which seems ludicrous to a man who has seen their present grandeur. One of the most populous and prosperous among them was Manchester.

Speaking of the cotton trade of Manchester, he says:

The whole annual import did not, at the end of the seventeenth century, amount to two millions of pounds, a quantity which would now hardly supply the demand of forty-eight hours.

He is making a comparison between the end of the seventeenth century and 1845.

That wonderful emporium, which in population and wealth far surpasses capitals so much renowned as Berlin, Madrid and Lisbon, was then a mean and ill-built market town, containing under six thousand people. It then had not a single press. It now supports a hundred printing establishments. It then had not a single coach. It now supports twenty coach-makers.

Leeds was already the chief seat of the woolen manufacturers of Yorkshire... But from the returns of the hearth money it seems certain that the whole population of the borough, an extensive district which contains many hamlets, did not, in the reign of Charles the Second, exceed seven thousand souls. In 1841 there were more than a hundred and fifty thousand.

About a day's journey south of Leeds, on the verge of a wild moorland tract, lay an ancient manor, now rich with cultivation, then barren and unenclosed, which was known by the name of Hallamshire. Iron abounded there... It had indeed been mentioned by Geoffrey Chaucer in one of his Canterbury Tales. But the manufacture appears to have made little progress during the three centuries which followed his time.

Most of the Hallamshire forges were collected in a market town which had sprung up near the castle of the proprietor, and, which, in the reign of James the First, had been a singularly miserable place, containing about two thousand inhabitants, of whom a third were half starved and half naked beggars... This is that Sheffeld which now, with its dependencies, contains a hundred and twenty thousand souls, and which sends forth its admirable knives, razors and lancets to the farthest ends of the world.

Birmingham had not been thought of sufficient importance to return a member to Oliver's parliament... Yet in 1685 the population, which is now little less than two hundred thousand, did not amount to four thousand.

These four chief seats of our great manufactures deserve especial mention. It would be tedious to enumerate all the populous and opulent hives of industry which a hundred and fifty years ago, were hamlets without parish churches, or desolate moors inhabited only by grouse and wild deer.

Liverpool contains more than three hundred thousand inhabitants.

And he gives the population of the time which he is comparing it with as four thousand. Then he says:

Into her custom house has been repeatedly paid in one year a sum more than twice as great as the whole income of the English Crown in 1685.

Her endless docks, quays and warehouses are among the wonders of the world.

Further on he says, speaking of London:—

English writers boasted of the forest of masts and yardarms which covered the river from the Bridge to the Tower, and of the stupendous sums which were collected at the Custom House in Thames street... Yet to our generation the honest vaunting of our ancestors must appear almost ludicrous. The shipping which they thought incredibly great appears not to have exceeded seventy thousand tons. This was, indeed, then more than a third of the whole tonnage of the Kingdom, but is now less than a fourth of the tonnage of Newcastle, and is nearly equalled by the tonnage of the steam vessels of the Thames. The customs of London amounted in 1685, to about three hundred and thirty thousand pounds a year. In our time the net duty paid annually, at the same place, exceeds ten millions.

That is sufficient to show Macaulay's views of the conditions of Great Britain for the 150 years between 1685 and 1845, before free trade was adopted in Great Britain.

I will give one more quotation, and this is from Joseph Chamberlain. He made speeches, as hon. members all know, in which he stated that he believed in a preference. In other words he believed in protection for England, and here are two very brief quotations from two of his speeches. At Birmingham on November 4, 1903 he said:

If it were true that protection inevitably brought with it destitution, misery and starvation, and free trade brought with it prosperity and progress, how do you account for the fact that every foreign country without exception that has adopted protection has in recent years at any rate progressed more rapidly and in greated proportion than we, the free trade country of the world.

And he points out that the once great British trade in sugar refining has gone; the iron trade is going; and the cotton trade is threatened.

At Newcastle two years later he said further:

Whereas in the five and twenty years after Mr. Cobden's great reform was carried, this country was an industrial centre exchanging its manufactures with other countries for their food and raw materials. Now we have ceased to hold any such position of industrial supremacy; we are daily sending out more raw materials and coal, and importing more foreign manufactured goods; that is, we are importing more and more of those goods which give the greatest employment to the working classes.

I think in view of those two opinions—and I could quote many more if I wished to—

Mr. FORKE: The hon. member knows the answer the people of England gave to Chamberlain?

Mr. MANION: Yes, and I think I know the answer the people of Canada will give to the present government. In view of these two opinions and quotations which I have read to the House, I think I am basing my remarks

on good ground when I say that the people of England base the foundation of their prosperity upon protection. Practically all the countries of the world that amount to anything have adopted the policy of protection, and practically all with the exception of England, have protection at the present time. Many have anti-dumping laws. These laws are in force in Canada, Australia, New Zealand, South Africa, the United States and the United Kingdom, because while the free traders claim that dumping is all to the good for the people of the country, it is not all to the good, because it is not permanent. If it were permanent it would be all right. There are two classes of dumping, one which is predatory, which is designed for the purpose of stealing the industries, and another which is classed as surplus dumping, which gets rid of the surplus stock. Both types do harm to the country which allows the dumping, because they injure the industries and so destroy business.

Not only are all countries protected except Great Britain, but most of them are increasing their protection. Let me give the House another quotation and this is one which should be interesting to this government, for it is a quotation from one of the Finance Minister's own officers in Australia writing a letter to Canada which bears absolutely on this question. A big boot and shoe manufacturer in Canada who sells large quantities of boots thought he would go into the market of Australia. He had a letter written to the Canadian Trade Commissioner of this government in Australia, Mr. D. H. Ross, and asked him what opportunity there would be for selling boots and shoes in the Australian market. I do not wish to read the whole of the letter in reply, because it is all along the same lines, but this is part of it:

> You state that you had in view the advertising of a line of high class men's shoes of Canadian manufacture, and all we can say is that, outside of rubber footwear, sand shoes, etc., there is practically no chance of a Canadian line selling in Australia.
>
> The manfacture of boots and shoes is an old established Australian industry. In 1922 (the latest figures available) there were 744 boot factories in the Commonwealth, employing 20,290 operatives. The value of output for that year being £10,241,279.
>
> The customs duties are very high, the preferential duty to shoes made in the United Kingdom only being 38½ per cent net, whereas shoes imported from all other countries, including Canada, pay a net duty of 49½ per cent. Add to this the adverse exchange existing at present in comparison with the normal rate of $4.86 to the pound sterling (to-day's rate being about $4.40 to the pound sterling in Montreal) together with the importing charges, and you have some idea of the competition your friends are up against.
>
> Frankly, we think it would be futile to expect a remunerative business in leather footwear.

In other words, Australia has the good sense to be protecting her industries against all countries, including even the United Kingdom to the extent of 38½ per cent, and all other countries including Canada to the extent of 49½ per cent. Instead of carrying out the method of Australia and protecting our industries, we are allowing our industries to go to the wall. Instead of keeping Canadian markets for the Canadian people, we are making Canadian markets for the American people. We are allowing industries of all kinds to get into difficulties and many of them to fail. In the last four years 2,300 industrial plants of various kinds failed in Canada. Let me point out, just in regard to my constituency, three industries which are hit to-day by the tariff. One I mentioned here before is an industry which prior to a couple of years ago employed 300 employees in Fort William. To-day it is closed down absolutely because, as it has stated to the government—and I have the statements on file—it requires a very small amount of protection which it does not have at the present time and which permitted it in the past to run with 300 employees.

There is another industry which usually employs about 300 people also, which to-day is employing 60. It has a branch at Montreal, another branch in the province of Quebec and another in Ontario. It is a very prominent industry; but according to its statements to the government—and I have this on file also—it is being driven out of business by the French, because of the low rate of wages and the low rate of exchange, and if the government does not give it relief, it will close down altogether.

In my constituency there is another industry which when it was running,—and it was running prior to two years ago—employed 1,200 persons. I wish to quote one brief passage from a letter written by this company to the Acting Minister of Finance (Mr. Robb) the other day, a few days before my hon. friend brought down his budget. This quotation was sent to me by the same company, and as they did not mark it "personal" or "private" or anything of that sort, I have no doubt they have no objection to my using it. At any rate I am going to use it because I infer that they do not wish it to be kept personal, or they would have so stated. The quotation reads:

> This company and its subsidiaries, are interested in British Columbia to the extent that we manufacture logging cars and other equipment and we can safely say that any reduction in the tariff on these articles will make it impossible for us to obtain any of this business. In 1912 in order to enlarge our facilities to take care of the development in the western provinces, we erected a car works at Fort William, Ontario, at a cost in excess of $2,500,000 which is fully equipped to take care of the entire requirements of the western

provinces for logging cars, railway freight cars, or any other type of industrial car. Owing to trade conditions in the country, however, it has never been possible to operate this large plant to anything like its capacity, and since the termination of the war, it has remained practically closed down.

That is hardly correct, because to my recollection the plant closed down two years ago, or at most three, but I think two:

For some time we have been investigating the possibility of developing other lines of manufacture in order to utilize this plant as the amount of money locked up is a serious burden to this company, but if we are to remain in doubt regarding the tariff policy of the government, or if reductions are to be made in the tariff now afforded manufacturers in this country, it will forever preclude any chances of this plant being operated, and this state of affairs is not confined to this company but is a problem confronting many other manufacturers.

The whole letter is along the same lines.

Mr. FORKE: I was informed that a good many of those industries my hon. friend speaks about, were not able to compete with other Canadian industries, at Brantford, for instance. I was informed that particularly at Port Arthur large works were put up that could not carry on business because they were not able to compete with Canadian industries, not United States industries. I may be wrong.

Mr. MANION: My hon. friend is wrong. I am not speaking of any industry that was built that was not competing.

Mr. FORKE: My hon. friend admits that some buildings were erected that were not operating?

Mr. MANION: Yes, but I did not mention them. There were some plants which were built at the head of the lakes which were never occupied. But I mentioned one plant which prior to a couple of years ago employed 300 persons at Fort William. I mentioned another, which usually employs about 300 people and which is now operating with about 60. The third plant operated, to my recollection, prior to two years ago or, at most, three years ago, not to its full extent, but it did employ about 1,000 people, and it is now closed down. It was regarding this plant that I read from the last letter which I quoted. Those are industries only in my constituency. There are throughout this country many other plants of various lines which are being hit by this budget and by the danger of having their tariff protection cut. We all know about the agricultural implement industry, the steel industry, which is hit in this budget, the paint industry, and some of the paint manufacturers stated in Montreal the other day that they would have to close down absolutely. There is also the boot and shoe industry and the woollen industry. The boot and shoe industry employed about 14,000 people in this country and to-day it is operating at about 60 per cent of its capacity. The woollen and knitted goods industry employed about 22,000 to 23,000 people and it is now operating to-day at about 40 per cent of its capacity.

Mr. BEAUBIEN: Has the boot and shoe men's employment decreased since the budget has been brought down?

Mr. MANION: I am blaming their being closed down on the fact that the country is being inundated with British goods and French goods, particularly British goods in the case of boots and shoes, and they have not the protection they require which the budget should have given. Last year some cuts were made in the preferential tariff which did hurt the boot and shoe manufacturers. At any rate the boot and shoe manufacturers need greater protection if they are to compete against the low labour costs and the depreciated exchange of Europe, and they cannot continue with the tariff which they have at present in Canada.

Mr. HUGHES: What about those factories that closed down two or three years ago when the late government was in office or shortly after the present government came in?

Mr. MANION: I would criticise exactly in the same way. If they required increased tariff protection to keep them going, I say they should have had it. I do not know if any closed down three years ago. In 1923 some $40,000,000 worth of woollen and knitted goods was imported into this country. I am taking that from the records of this government. Just think what it would mean to the people engaged in those industries if that amount was produced in Canada. It is true that the hon. member for Brome (Mr. McMaster) said the other day that you could not increase employment in a country by protection; all you do if you close up one industry is you simply drive a man into a more remunerative industry. But the trouble is that we are driving them into more remunerative industries in the United States. This is another case of the theory and the fact not agreeing. I have noticed with free traders that if the facts disagree with the theory, it is so much the worse for the facts.

Even the Toronto Globe took, and has been taking, the attitude—I have a number

of its editorials in my possession—in regard to the woollen and knitted goods industry that they are not receiving the proper care and attention that they should be receiving. I submit that the boot and shoe industry and the woollen and knitted goods industry should get the protection which they need to keep them going.

One of our Progressive friends, speaking on this very question in a recent debate, said something to this effect: "Your Protectionists say that your industries cannot compete with those in France, in England, and in the United States". Then, quite dramatically, he asked: "What in heaven's name can they compete with?" Well, Mr. Speaker, there is a simple answer to that question: they can compete with one another; and that is all that any other country would ask their manufacturers to do in the way of competition.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: My hon. friends no doubt are laughing at the fact that there is serious unemployment in this country at the present time. But let me assure them that this unemployment is due to that very fact, that our industries are forced to compete with those outside the country. There are nearly two million people out of employment in Great Britain, and the fact must be significant to hon. gentlemen that, where this enormous unemployment exists, the industries are forced to compete with foreign manufacturers. Indeed, Mr. Speaker, there is no country in the world that I know of that is in so pitiable a condition, from the point of view of unemployment, as the United Kingdom, which is the only free trade nation at the present time. Now, I do not know why we should make such frantic efforts to defend our national freedom when it is threatened by invading troops, and at the same time neglect our commercial freedom when it is menaced by industrial forces that are equally dangerous. And yet that is just the situation to-day.

Look back over the history of the world and you will find that those countries which have lived a broad national life and have carried on a wide and diversified industrial development, are the countries which have been best able to take care of themselves. Look at the United States at the time of the Civil War. What does history reveal in that case? Why, we find that the South was defeated mainly by reason of the fact that, unlike the North, it had no industrial development. From the very beginning it was realised that the South must lose eventually because it could not produce the goods which it needed. Again, take the example we have in the recent war. Why were Great Britain, the United States and France able to subdue Germany? They could do so only because they had had a wide and a marked industrial development. Without that development they would have been beaten, as surely as I am standing here to-day. And as a matter of fact, Sir, Germany herself was able to ward off defeat for a period of four years simply because she had magificently developed herself industrially under a policy of protection.

Mr. STEWART (Argenteuil): Was she not the best equipped industrially?

Mr. MANION: Yes, but she had the whole world against her. Of course she was well equipped industrially, and that is precisely why it took four and a half years for the Allies to subdue her. Had she not been as well equipped as she was she must have succumbed within a year. Now, Sir, if this budget is accepted and endorsed by the people of Canada we shall declare ourselves to be, apart from Great Britain, the only nation that despises that strength and independence with which other countries have developed industrially by means of protection. England is the only free trade country in the world, and if we adopt this budget we shall be the second; in other words we shall be virtually proposing to fall into that state which Russia was in before she decided to adopt protection one hundred years ago.

Mr. STEWART (Argenteuil): Surely my hon. friend would not assert that England could not play her part in the war.

Mr. MANION: No, I do not say that, nor have I said anything of the kind. I showed earlier in my remarks that England had built up the foundation for her industrial life and prosperity upon the basis of protection up to the year 1846.

Mr. STEWART (Argenteuil): The question I asked my hon. friend was, whether he would make the statement that England could not play her part in the war.

Mr. MANION: Not at all. We over on this side are always accused of flag-waving, but it seems that a little of this is being done on the other side now. My hon. friend is trying to make me say that England did not play her part in the war. Of course, I know otherwise.

Mr. STEWART (Argenteuil): I had no such thought. I do not want to interject any remarks into my hon. friend's speech, but he argues that protectionist countries have been better able to protect themselves than free trade countries. I hope he will not accuse me of waving the flag; I never do that.

Mr. GRAHAM: Are we not entitled to do a little of the waving at times over here? Some of the rest of us did our part in the war too.

Mr. MANION: I am not denying that for a moment; and I wish that hon. gentlemen opposite, and to my left, would wave the Canadian flag a little more.

Mr. BEAUBIEN: It is not always those who wave the flag that are the most patriotic.

Mr. MANION: I do not know that you can necessarily prove that. I was about to observe, when I was so generally interrupted, that even those men who have had world wide reputations as advocates of free trade have admitted the necessity in some cases for a policy of protection. Let me put on Hansard a quotation from John Stuart Mill, who was a more outstanding free trader than even my hon. friend from Brome (Mr. McMaster) or for that matter any other hon. gentleman in this House. The following statement by Mill is worth considering:

> The superiority of one country over another in a branch of industry often arises only from its having begun sooner. A country which has this skill and experience to acquire may in other respects be better adapted to production than those earlier in the field; and, besides, it is a just remark that nothing has a greater tendency to produce improvement in any branch of production than its trial under a new set of conditions. But it cannot be expected that individuals should at their own risk, or rather to their certain loss, introduce a new manufacture and bear the burthen of carrying it on until the producers have been educated up to the level of those with whom the processes have become traditional. A protecting duty continued for a reasonable time will sometimes be the least inconvenient mode in which a country can tax itself for the support of such an experiment.

Mr. FORKE: And we have had protection for sixty years.

Mr. MANION: Yes, and I submit that we have been doing well under it, even though my hon. friend thought it necessary to declare recently that he was sick and tired of the policy. I do not wish to burden Hansard again with the figures that I have already given, but I can submit to hon. gentlemen the facts that prove that we have had prosperity in Canada and that it was built up on protection. It is quite true that at the present time Canada is suffering; but she is suffering a period of depression which is common to the whole world, with the exception of the United States, which is the most highly protected country we know of to-day.

In the closing years of John Stuart Mill's life he was asked by Mr. Geo. W. Smalley, of the New York Tribune, whether he still adhered to the statement which he had made as quoted by me a moment ago. He replied:

> Certainly; I have never affirmed anything to the contrary. I do not presume to say that the United States may not find protection expedient in their present state of development. I do not even say that, if I were an American I should not be a protectionist.

So that even John Stuart Mill who was perhaps the most outstanding free trader of his time, admitted that protection was advisable in many cases. If one cared to do so one could cite many industries in the United States which have been built up exclusively under protection. I might mention, for example, the tin plate industry—and there are many others—which did not exist in the United States, except to a very minor degree, until 1890. Up to that time it produced annually about two million pounds of tin plate; but under protection, introduced in 1890, it immediately developed until it produced 2,000,000,000 pounds, sweeping the Welsh tin plate industry off its feet and driving the tin plate workers of Wales into the United States factories. I could cite many other industries which have similarly developed under protection, but I do not wish to take up the time of the House further.

Now, in the final analysis, what is the real object of those who demand free trade? I think I can state it in a single word—cheapness. Cheapness of goods is the sole object of this cry for free trade; and I remember our good friend Dr. Michael Clark, who came from the constituency now represented in this House by my hon. friend from Red Deer (Mr. Speakman), saying on one occasion: "We want cheap goods, and we care not whence they come". That after all is the basis of the free trade argument: cheapness of goods is the sole reason. In other words, we are asked to sacrifice the industrial East in order that the prairie provinces may save a few cents on farm implements and boots and shoes. I say that without the slightest intention of offending the prairie provinces, but simply because it is from that section of the country that the cry comes for free trade. It is debatable whether we shall get cheaper goods under free trade. However, merely for the sake of argument, let us admit that we shall. In that case, is the cheapness worth the sacrifice that we shall make? Is not a diversified national development, a broad national life, the greatest objective at which we could aim? Is it not worth striving for to bring about such conditions as shall prevent our youth from going to the United States? Is not that state of affairs worth something to

the Canadian people? Why should cheapness of goods be worshipped as a god? It is much more desirable that we should provide employment and wages for our Canadian people. I submit that the progress, the prosperity, and the happiness of our people depend very much more upon their ability to earn wages and consequently to purchase goods than upon the opportunity to buy those goods a little cheaper. If you will show me a cheap country, Mr. Speaker, I will show you in return a poor country. Cheap goods are of no use to anybody unless he has the money with which to buy them. I well remember quoting in this House some sessions ago the old story of an Irishman who complained of the fact that he had to pay fifty cents in New York for something which he could get for a shilling in Ireland. He was asked, "Why didn't you buy it in Ireland?" He replied, "I didn't have a shilling." That is the condition in every cheap country. The United States for the past fifty years has probably been the dearest country in the world, and yet it has been the Mecca of all the people of all the cheap countries in the world.

There is no better test of the condition of cheapness in a country than the labour cost test. I may be permitted, perhaps, to give two or three experiences of my own with regard to such tests in other countries. I remember before the war being driven around the city of Naples in a cab for a whole afternoon and paying two lire for the accommodation—forty cents at that time. Naples was then one of the cheapest cities I was ever in—and also one of the most poverty-ridden. Let me instance Ireland for the benefit of my hon. friend from Springfield (Mr. Hoey). I remember taking a tour, at least twenty years ago, through the famous lakes of Killarney. I hired a horse—it was really a pony—to go through the gap of Dunloe. For the use of this animal for a whole afternoon I paid half a crown—sixty cents. I asked the man in charge of the horse, "How much do you get out of this?" He answered, "I get whatever you choose to give me as a tip." He was working for the owner of the horse. I said to him, "Why don't you come out to a prosperous country like Canada?" He replied, "It would take me fifteen years to earn enough money to pay my fare to your country." I remember with pain—because Ireland is also the home of my forefathers—that not only in the country districts did beggars hold out their hands for alms, but right in the city of Dublin the poverty was something pitiable. I remember in the same trip that in the native land of my hon. friend from Brandon (Mr. Forke) at Edinburgh and Glasgow—particularly Edinburgh—poverty was just as marked in the slums there as I observed it in those of London; and I need not particularize the poverty there. In those parts of the British Isles labour was cheap and the cost of living low; but, Sir, at that time, according to a statement made by the late Campbell-Bannerman during the British general election in 1904, thirteen million of the population were on the verge of hunger—and he was a free trader.

Mr. FORKE: Does my hon. friend deny the fact that in every large manufacturing centre of the world you will find slums and poverty?

Mr. MANION: No, I do not deny that, but I make this statement, and I submit that it cannot be disproved: There were at that time more slums and poverty in the British Isles than in the protectionist countries of France, Germany or the United States. I could easily prove this statement by the figures which I put on Hansard a few sessions ago when debating the same question of free trade versus protection, but I do not wish to take up the time of the House now by repeating the figures, and I have not got them at hand.

Mr. HUGHES: Does not my hon. friend agree that the landlord system in Great Britain, the twin brother of protection, is largely responsible for the poverty there?

Mr. MANION: I do not accept my hon. friend's statement in its entirety, although I think that system has had something to do with the poverty. I remember reading a book by the late Earl of Dunraven—who lived all his life in Ireland and must be accepted as a better authority respecting conditions in that country than my hon. friend can be—in which he said that the poverty of Ireland was caused by free trade, which had ruined industry and driven out the business of grain growing.

Mr. HUGHES: The enormous land rents were responsible.

Mr. MANION: They would accentuate the trouble, of course. I may mention two other countries, India and China, where you may hire labour for a few cents a day and those countries are mainly agricultural. Every few years millions of people in those countries die of famine and disease. In other words, in all cheap countries the people are trying to get out of them as if threatened by a frightful epidemic of some plague. And

where are they trying to go to—cheaper countries? No, to the dearest country of all, and the most highly protected—the United States. So much so, that the American government, as we all know, has had to put in force a quota law to restrict immigration from those cheap countries.

Again, I submit that what Canada needs is employment for her people—work and wages for her artisans and mechanics. We all deplore the exodus of our young men to the United States. Will anyone tell me that these young men are leaving because of the high cost of living here? Certainly not. Everyone of them is migrating because he has not got work and wages at home. I submit that this budget will lessen work and wages, and so restrict the purchasing power of our artisans and mechanics. In a word, it means for them an empty pocket instead of a full dinner pail; emigration instead of occupation.

Suppose we do get free trade and so cut down the price of goods, will the resultant cheapness which is so much desired continue here? I do not think it will last very long. Aside from the argument—which I think is quite sound—that once the American industrialists have secured control of our markets they will begin to recoup themselves by charging higher prices for their goods, who will pay the main proportion of our taxes? I repeat, I do not mean anything offensive to the farmers in these comparisons which I am making. But who will pay the main proportion of our taxes? There is a tendency on the part of many of my friends from the prairie provinces to take the attitude that they are making all the sacrifices by reason of the tariff duties which they have to pay. I have heard them declare: Let the protectionists get off our backs. That is the attitude which our friends frequently take. I do not admit that all the sacrifices are made by the farmers of the West or by those of any other part of the Dominion. I submit that many sacrifices are made, and made willingly, by the people of our cities and towns. Who pays the bulk of the income tax? Less than 2 per cent of the fifty or sixty millions collected, according to the statement of the Acting Minister of Finance (Mr. Robb), is paid by the rural districts; over 98 per cent, is being paid by the industrial centres.

Mr. FORKE: Why talk so much about sacrifices when everything is all right in the industrial centres?

Mr. MANION: I am talking about my friends to my left claiming that they are making all the sacrifices.

Mr. FORKE: Excuse me, you referred to other people making sacrifices.

Mr. MANION: So they do. If my hon. friend and his associates are correct in claiming that they are making sacrifices, I am pointing out that the people of the East are making sacrifices too.

Mr. FORKE: We admit the sacrifices; you do not.

Mr. MANION: I am pointing out the sacrifices that are being made by the East in regard to other things than the tariff sacrifices that the West complain of.

Mr. FORKE: That is different.

Mr. MANION: I was referring to the income tax. Let me point out also that, although it is difficult to prove, I may venture to assert that 75 per cent—yes, very much more than 75 per cent, of the customs duties are paid by the cities and towns on the luxuries which they buy.

Mr. FORKE: That is right.

Mr. MANION: If my hon. friend admits that that is right, then he must admit also that the cities and towns are paying more than their share of taxation.

Mr. FORKE: We admit that they have the luxuries.

Mr. MANION: Surely my hon. friend does not want to change the whole system of this country whereby men are rewarded for their enterprise and business ability? If so, he is getting back to a proposition coming from Russia with which I do not agree. Not only do the cities and towns pay the bulk of the customs duties and income tax, but they help to pay for rural education, rural roads and rural mail delivery. I have in my constituency rural mail deliveries which do not bring in enough to pay the cost, and there are very many throughout the country. I have pointed out before, but my hon. friends are apt to forget it, that nearly $6,000,000 is given annually by way of direct assistance to the agricultural interests of this country in the estimates before the House. I wish to repeat, because my hon. friend is apparently taking offence at these comparisons—

Mr. FORKE: No.

Mr. MANION: I wish to repeat that I am offering no criticism of these conditions. I simply make the statement that if the industrial centres of the East are willing, as they are, to make sacrifices on behalf of the prairie sections of the Dominion, those prairie sections must not expect to make no sacrifices

at all. If the industrial centres are largely wiped out, who is going to pay the large obligations of this country? Who is going to build the Hudson Bay railway, which is demanded from the West? Who is going to pay the increased deficits on the Canadian National because of the traffic being to a greater extent north and south than east and west? The West is going to pay a greater proportion than she does now, if she is able, and I submit that the last condition of the West might well be worse than the first. It might be well for the people of the prairie provinces who demand free trade—and I do not need to look always to my left; I may look across the way sometimes—to remember that maxim of Shakespeare, which suggests that we should—

> —rather bear those ills we have,
> Than fly to others that we know not of.

I fully realize that there is a depression in the West. I fully realize that relief is needed, so far as possible, but I am not admitting that we should wipe out the industrial East to bring about that relief. I repeat that the tariff is not the cause of the present conditions of the West. I have been in surgery for about twenty years and I have never yet seen an opportunity to save a man's arms by amputating his legs, nor do I think that you can save the agricultural arms of this country by amputating its industrial legs.

Mr. GRAHAM: Sometimes you save a man's life by cutting off his leg.

Mr. MANION: Apparently my hon. friend and his government are attempting to do that in this country at the present time. For myself I do not think it can occur in fiscal matters.

The hon. Minister of the Interior (Mr. Stewart) in his speech the other day pointed out that we who support protection do not realize the importance of the West to Canada. We do realize the importance of the West to Canada. I realize the importance of all sections—of British Columbia, of the prairie provinces, of the Maritime provinces, and I also realize what he and his friends do not seem to realize, the importance of Ontario and Quebec. I do not know whether I should admit that the two million people in the prairie provinces are more important to Canada than the six million in Quebec and Ontario. I submit that some remedy should be worked out whereby we can help the prairie West, and I am entirely for doing that so far as it is possible, but not to the extent of running some other section of the country.

Protection is needed in the East because of the low labour costs in Europe. One instance of that occurred a few weeks ago when there was a strike in Manchester—at least, it was so reported in the press—the operatives of certain cotton mills there demanding to be paid $7.92, not per day, but per week. Those who were running the mills said that the most they could pay and compete with the rest of the world was $7.04 a week, while for the same line of work in Canada they are paying from $15 to $20 a week. This instance will illustrate the cost of labour in Europe. Then, there is the question of depreciated currency. I hold under my hand—I shall not take time to read it—a statement by Professor H. Mitchell, of McMaster University, Toronto, in which he points out what everybody knows well who has given any study to the question, that due to the depreciated exchange of Europe there is an invisible bounty paid on the exports of Europe when they come to the United States or Canada. One of the ways that the government could help the industries of Canada would be to protect them against that invisible bounty. In passing, I suggest that in view of the facility with which this government changes its mind overnight, I should not be at all surprised if they brought in some modification of their resolutions to this end, and I hope they do, for the good of the country. At present, however, there is nothing in the budget to protect us against that depreciated exchange which, according to Professor Mitchell and other authorities, owing to the depreciation in the value of the pound sterling, gives from 7 to 10 per cent less protection to the industries of Canada.

Then, there are the handicaps to industry in Canada, the eight-hour day in many provinces; factory laws; workmen's compensation, and standards of living which are higher in Canada even than in such countries as England. In other words, if, as the labour people state, we permit the cheap products of cheap labour to come into this country free, we will deprive our own working people of employment and drive them to the United States. I believe we must help the prairie West. We must do everything we can which does not go to the extent of ruining the industrial East. A national policy for this country is one which should so far as possible help all classes, agriculturists, artisans and industrialists. I admit that it is very difficult to do anything in the line of protection to help my friends of the prairie provinces who grow wheat; I admit that very freely, I admit also that probably they would gain to a certain extent, temporarily, from free trade. But,

Sir, if we cannot help them by protection, then it is our duty to help them in some other way to make up for the sacrifices which I admit they make to a certain extent through the operation of the protective tariff. But we can help the other farmers of this country: we can help the truck farmers, the fruit farmers, the dairy and poultry farmers. Tens of millions of dollars' worth of fruits, vegetables, butter, eggs and cheese are imported into this country to compete with our own products. Let us keep our Canadian markets, not only the industrial markets but the agricultural markets, for our own Canadian people. The Canadian duties to-day on the agricultural products which I have just mentioned are about half the American duties against similar products entering the United States from Canada. Under a proper national policy for this country agriculture and industry could progress and prosper hand in hand, as they should progress and prosper. That Sir, should be the goal of national greatness to which we should aspire; that is the goal to which we will attain if. in the words of Lord Chatham, on another occasion, "we have no craven fear of being great" in this country.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. A. L. HODGINS (East Middlesex): I desire to occupy a few minutes in expressing my views concerning matters which have been brought forward in the budget, and I can assure hon. members that I shall not speak at undue length. First let me extend my congratulations to the Acting Minister of Finance on the concise and businesslike character of his financial statement. I also desire to sympathize with the Minister of Finance upon his illness, and with the leader of the opposition in the loss which he has just sustained.

As to the budget itself I am in perfect accord with some of the criticisms which have been made. I believe that the surplus for which credit has been claimed is largely a matter of bookkeeping. But the tariff changes which the budget makes undoubtedly create a line of cleavage between the protectionist and the free trader in this country. I believe with the previous speaker that the budget has brought the issue of protection versus free trade before the country in a way it has never been brought before. When one studies world history one cannot fail to be impressed with certain peculiar features which have attended the development of this issue. For example the farmers in England to-day are asking for protection while the people who want free trade are the manufacturers. In the United States a few generations ago the farmers were the free traders and the manufacturers were the protectionists. To-day the reverse is the case: The farmers are the protectionists and the manufacturer, or to be quite accurate, the big financial interests of the country, are commencing to clamour for free trade. And why are they doing so. Because they find that in order to market their own products they must trade with foreign countries, and there must be a lowering of the high tariff duties before the products of other countries can secure admission to the United States market. International trade is not trade between nations as nations. What it means is that individuals or firms of a particular nation trade with individuals or firms of other nations. As it appears to me customs duties are simply fines placed upon individuals in return for the privilege of trading with individuals of other countries. If we were to place such fines upon individuals trading with each other in our own country we should look upon it as a very absurd proposition to say the least. But because the other party to the arrangement happens to live in another country the system of imposing fines is regarded as quite proper. But if fines are levied on transactions between different countries why not carry the principle to its logical conclusion and impose duties in the case of transactions between different counties or different provinces of the same country?

If we take the experience of reciprocity in the past doubtless thousands of residents of the United States opposed reciprocity with Canada because they thought it would be profitable to Canadians. Probably, too, reciprocity was opposed by many Canadians because they thought the United States rather than Canada would benefit from that pact. But even if the other country is going to benefit to some degree why should that be disadvantageous to Canada? Under free trade the labour and capital of our country would be forced out of artificial channels and into occupations which would produce with greater efficiency, those articles which we need most. It follows then that if we attain the best results by our tariff policy we shall attract more immigrants and more capital to the country. Then instead of admitting immigrants into Canada indiscriminately we should be able to cull our future citizens from the immigrants that offer and let into the Dominion only the very best.

Taking the four great fundamental industries of our country from which we really derive all our wealth, namely fishing, mining, lumbering and farming, which policy, protection or free trade, will prove the more beneficial to them? If we take the products of those four industries and ask ourselves how much protection has increased the selling price of them, we will have to admit that it is very little, if any. Then we take the materials we have to buy and ask ourselves how much protection has increased the price to us, and in almost every case we must admit it has done so to a considerable extent. We cannot help but realize that protection is far from being a benefit to the people of this or any other country. If it is necessary —and I do not believe it is—to have a protective tariff to enable the manufacturers in this country to live and carry on, we should also have a protective tariff to enable the farmers to live and carry on, and as it is an impossibility to protect the farmer in the greater amount of his products, as he must look outside our country for his market, we should, to place him on an equal footing, grant him a bonus on every bushel of wheat, every pound of beef, every pound of pork and a great many other articles which he produces at the present time. If our protectionist friends wish to come across with a proposition of this kind, they might hope to get some support from the farmer, but I think the foolishness of this is quite evident to them, and I cannot see why they should not be sensible about the tariff arrangements, and be manly enough to stand on their own feet and not to resort to a legalized form of robbery in order to carry on their business. One might just as well allow a merchant in this city who is not making a profit in his business to come down the street and rob a fellow merchant who is not making any more profit than he himself is making.

Reductions have been made in this budget along some lines, but I believe it is just as necessary and perhaps more so, that reductions should be made all along the line. Taking our boot and shoe industry, there is no reason that I can see why it should be protected to the extent of thirty per cent and other businesses have little or no protection. Building is cheaper in Canada than in the United States. The workers in these factories do not receive as large a wage as in the United States. The machinery which is necessary in these factories is put into the factories in the United States and Canada by the same company and on the same terms; the lasts which are necessary are made from Canadian wood which is right at hand, and they have the advantage in freight rates on account of being closer to the Canadian consumer. With all these advantages there is no reason why they should need this protection, and it is the same practically with all the other manufacturing interests. Every other manufacturing business in this country I think would come pretty nearly into the same category. We find to-day a paper company selling paper in the United States cheaper than in Canada and doing so on account of the protection it enjoys, and yet we find the president of the same paper concern going up and down this country preaching the fostering of home industries. It seems to me that that is not exercising very good judgment and is not a consistent policy. If it is necessary that we should retain our custom duties in order that we might raise our revenue, I might suggest to the minister that he place an excise tariff which would be almost if not altogether equal to the present customs tariff, and thereby the country would get the revenue which is at present going into the pockets of the manufacturers; but I would also suggest to the minister that he could collect more money and collect it easier and cheaper by placing a direct tax on the assessed value of the different businesses and occupations throughout the land. I have in my hand a clipping from the California Farmer which says:

> All that the farmer can hope to demand is fair play, the removal of unequal burdens, with free access to the markets of the world.

And I might say that that is all we want.

> This he will not get at once from any political party, but in proportion to his recognition of his real needs, he can compel their alarmed attention. The prosperity of the few, in which half the nation does not share, is built on sand, and cannot be stable until the farmer comes into his own.

Mr. WILLIS KEITH BALDWIN (Stanstead): The tariff of the country is a subject of the greatest controversy and this to a large extent is true of almost every country in the world. The budget in this country and the tariff in the country to the south of us have until very recently been subjects of very great controversy. In the years 1919, 1920 and 1921 we had the strongest evidence of antipathy between the then government and the little group in the far-off corner. Very hard words were spoken in those years. And if the group has grown to its present magnitude, it is on account of the fact that the opposition to the government in 1911 fought desperately against reciprocity in natural products, which had been advocated since the abrogation of the reciprocity treaty with the United States in 1865. The emissaries of this country were

often in Washington trying to renew that treaty. Prominent men of the day, including Sir John A. Macdonald and members of his cabinet, travelled throughout the country and advocated the renewal of the reciprocity treaty. When the time came that President Taft made overtures to this country to renew that treaty, desperate means were taken to defeat it. The acting leader of the Progressives (Mr. Johnston) the other day made a positive statement in regard to it, and I have not the least doubt that what he said was true, that when the Right Hon. W. S. Fielding went to the great metropolis of Montreal in 1911 and told the interests there that they would make a mistake by turning down reciprocity the result was that they fought desperately against it and contributed freely to the campaign funds to be used against the proposition to adopt that treaty. That caused the defeat of the reciprocity measure.

We should remember that about two-thirds of this great country lies to the west of the province of Ontario, and that for the last two sessions the members of the Progressive party have spent a great deal of time and energy in this House advocating such a measure. They have continued to debate for two sessions with their very extensive vocabulary, and with the full force of their personality, and individuality, and I hope their vocabulary is not larger than their hearts. But this country had come to the point where somebody needed to strike out boldly and endeavour to ascertain if anything could be done in this country, by give and take, to make Canada a country worth living in, where the people would be united, with a tariff that would do the greatest good to the greatest number.

I am glad that we have an Acting Minister of Finance who has proclaimed many times in the past six years that he would not destroy any industry in this country. In other words, he might be considered a protectionist, as I am. I represent a very large industrial community as well as an agricultural community, but I recognize the fact that something must be done in Canada. I was out in my constituency during the last few days and I heard no criticism. On my return I stayed in Montreal for a day and I heard some criticism. As I diagnosed the situation, as nearly as I can find out, the criticism all came from the Manufacturers' Association of Canada. Personally, I am a manufacturer. I am identified with many industries as well as a number of businesses. Nearly every dollar that I have is invested, either directly or indirectly in the great industries of this country, so that I would not do and I should not support anything in the shape of class legislation. We cannot continue in the same way as we have been doing, milking the same cow in the same old way for all our revenue. I am proud of the Acting Minister of Finance on broadening out and adopting a policy that will not bring the forces of this House into great antagonism.

Let me say for the good of the manufacturers of this country that they possibly could alleviate their own condition if they see anything facing them that scares them. First, I would recommend that our manufacturers go down to their offices and unlock their doors at seven o'clock, instead of living in better houses than other classes who are watching them closely, living expensively, dressing gorgeously, driving expensive cars, taking long holidays and neglecting their business. If you say to them: "Why can you not get hold of your business as your fathers did?" they will say: "Oh, I have an organization; I cannot dissolve that organization; if business should pick up and the organization was dissolved, I could not handle the business because the organization would be gone." I put the question personally to some of those men. I have an illustration of a man who left Scotland more than fifty years ago. He came to a growing city in Canada and he went into the clothing business. He was his own buyer, his seller, his cutter and his accountant. If he had any assistants, he was the man that guided them on. He built up from a small business to a larger business, a larger business. No less than eight different places did he enlarge. Before his death—and he died too soon—he built a large manufacturing establishment in which he put the name of the company, and he hoped that it would continue. When the son came into the business and one other person whom I well know, I happened to go into the place, and what did I notice? I observed as I went in at the door, that the office had been fitted up with $5,000 worth of mahogany. It was gorgeous, I assure you. Not very many years after I happened to visit the place, and the man whose father had built up the business said: "Things are going bad; do you know where I can get $100,000?" I said: "When I came upstairs, I cast an eye back at the office and I noticed that what you call your organization were not busy; I observed that the female members were chewing gum and probably pinching themselves in order to keep from going to sleep. I noticed that the men were not working. I know another organization that has three stenographers, a financier and an-

other man to assist. The man sat in his office and he wrote five-page letters when two sentences would have been better, and his business went to the dogs. "Now," I said, "young man, will you take an old man's advice?" He said: "This is getting desperate, and I do not know where I am going to land." I said: "Would you rather face bankruptcy than go down to the office with a smile and say to them: 'My father built up a business that I have inherited. He knew his business but I do not know mine. I must come into the office to-morrow morning at fifteen minutes before seven, unlock the door, learn the business and see where I am going.'" His organization was costing him twenty dollars where it should not have cost him over two dollars, and I am right. I might expatiate further, but that is a criterion of what is going on throughout this country. The young men should take their father's place and go down to the business and learn it. When a customer comes in and asks him a question, they will say: "Oh, I do not know, I will find Tom, Dick or Harry." That is true, not in one business alone, but in thousands of businesses that have an organization that is running the business. Be it to the credit of the Jew, he has the clothing business of the United States largely and he will have it in Canada because he is running the organization. Some day he will have saved up enough in salaries to buy the institution which others cannot handle.

I heard the Minister of Finance (Mr. Fielding) speak about free trade in 1920, I think—and he made a fine speech—but in his concluding remarks he said that while it is good in theory, it cannot be in practice, because practically every country in the world is to-day under a protective tariff and therefore we have to have one. I have heard the first leader of the Progressive party (Mr. Crerar) say that we have to have revenue and we have to have a tariff to raise it. During the present session I heard the leader of the Progressive party (Mr. Forke) say: "I would not support a measure that would cripple one legitimate industry in Canada." I ask you, Mr. Speaker: Has the Acting Minister of Finance kept faith and brought down a budget as well as any other man in this House could do? The question was a great one to cope with. In my opinion, although I have not spoken to him nor sent a delegation or any advice,—and I think that is something remarkable throughout this House—he has looked at every thing in the country from all angles. If we consider the

remark that has been made by the leader of the Progressive party that he would not cripple or do injury to one legitimate industry in Canada, is it right for our Acting Minister of Finance to bring down in this House a measure that will assist those who for two sessions have been hammering away in this House? I am not criticising them for doing that; they knew best their personal trouble, but there was about their speeches a personality that was astonishing to the old liners.

The people in the province of Quebec have had their troubles just as the people in the West and in the Maritime provinces have had. Indeed, it has been pretty much the same all over the country so far as the agriculturists are concerned. But we have had to take our medicine. We have heard from the official opposition during the past two years, and particularly from the leader of that party (Mr. Meighen) the statement oft repeated that we on this side are more protectionist than the Conservative party. And shortly before the budget was brought down the right hon. gentleman said that we had only to wait and see and we should find that when the budget was disclosed nothing would be done. I do not think that anybody outside the cabinet had the slightest inkling as to what the budget would reveal, but personally I had perfect confidence in the course the Acting Minister of Finance adopted when he delivered what I think was the shortest budget speech that has been made in this parliament in many years. I believe that the minister has acted boldly and courageously in the interests of the greatest number of the people. I submit that we ought to stand at his back and support him, and if his proposals do not succeed as well as we hope, then they can be changed. As a protectionist I would not only do what the minister has done; I would go further; I would adopt the tariff of the United States in many respects. They are exporting to this country over $90,000,000 of agricultural products, and I suppose that it is because the agriculturists in this House were sincere in their free trade professions that they did not insist on being protected themselves. But I think that we might have kept the agricultural products of the United States out of this country just as they do ours, because I believe in self-preservation. However, there are more years ahead of us, and in the meantime I support the present budget believing that no harm will be done the great industries in my country. There has been a great deal of hue and cry on the part of the woollen manufacturers, but I think that the

reduction in the sales tax will about equal the preference on English goods coming here. I hope so at any rate, and I trust that things will work out well for the woollen men. On the whole I think the minister has given us a balanced budget; there is a surplus of some $30,000,000 in the year's operations and there will be saved to the taxpayers for the next year $24,000,000. How could the Acting Minister of Finance have done better in the face of present conditions.

MacLean's magazine has been writing a lot about the scandalous extravagance of the government and has been comparing the Liberal party to the Conservative party with its corruption; it has been talking about graft in connection with everything, and has dealt particularly with the over-manned Civil Service. I do not wonder that there has been an uprising in this country when we have had the Civil Service increased by the late government from 11,000 to 60,000. It is not surprising that some able man in the press gallery should have undertaken to write the thing up. I have copies of MacLean's magazine and I presume every other hon. member has; and in the face of these facts, what do hon. gentlemen expect, in the name of common sense, that the Acting Minister of Finance should have done but to have brought down such a budget as we are considering to-night? Was he to have given us the old see-saw budget without making any effort to alleviate the conditions of the poorer people? I am pleased indeed that the government should have reduced the Civil Service by some 8,000. Suppose we had a business man who acted in a pussy-footing sort of way, wintering in California or Florida, what would one expect from such a man? Yet this is the type of man who would pray in this fashion:

> O! Almighty Dollar! Thy shining face
> Bespeaks thy wondrous power.
> Make my pocket thine abiding place.
> I need thee every hour.

Let the manufacturers sympathize with the labourer and the farmer. I happen to be one of those who rise at five-thirty every morning and even earlier, and I work fifteen hours a day. I do not like being personal to this extent, but I think that a little outspokenness occasionally does no harm. I have lived nearly seventy years and there is not a better-feeling man in all Canada. I live for the joy of living and work cheerfully, and in the long run I think the cheerful worker has everyone beaten to a showdown. I have demonstrated that hard work hurts neither man, woman nor child. Indeed, some people contend against child labour, but I would let children work if they wanted to. If we did we would have better men and women.

Now, my hon. friends opposite are shouting protection all the time, and this cry was their only hope in the election campaign of 1921. But it did not avail them anything. I might say that the man who opposed me in my county lost his deposit, and I had a thousand to spare on my side.

Mr. SUTHERLAND: The hon. member was not talking free trade then.

Mr. BALDWIN: No, sir, and neither am I now advocating such a policy, but let me tell you something that was said at the nomination convention. A most distinguished lawyer from Montreal got up and said: "If you vote for W. K. Baldwin the people in Magog who work for the Dominion Textile Company will go with empty dinner pails, if they do not even eat rats." But I feared no such talk as that; I am like my hon. friend from Brantford (Mr. Raymond)—there is a closer relation between myself and my constituents than dollars and cents. My constituents live honourably and work hard, and they are charitable to the poor and the deserving. There is not one of them who is an autocrat.

Talking about the customs tariff, I have an absolute experience to relate. I received from Lamonte, Illinois, some very alluring prices on aluminum ware. For instance, teakettles for which I would pay $3.50 in Ottawa in war time were quoted at 80 cents, and every article on the long list was subject to a special discount of 25 per cent during the month of February. After several lists had been sent to me I called up the customs office at Coaticook and asked the tariff on aluminum-ware. They informed me the rate was 30 per cent. Thereupon I sent my order, and in due course the goods came forward. I sent the triplicate invoices down to the customs offices. Did I pay 30 per cent, Mr. Speaker? Not at all. It was plus, plus, plus. The duty came to slightly over 40 per cent. Well, the sale that I had on was slightly embarrassing to me, because on an order of $124.85 the duty amounted to $48.75. The freight was remarkably low, for in that great centre of Chicago they get exceptionally low rates to New England points, and it seemed to me that they got a very low rate indeed to the town of Coaticook. I have no fault to find with the great school of experience, which is the best educator in the world, but I assure this House that the next aluminum ware I want I will order from Oakville, Ontario,—just a little south of the constituencies represented by the Toronto members. Certainly I shall not send

any more orders to the United States, for the duty is not what it appears to be. I am told that when the rate of duty is 40 or 42 per cent the actual percentage paid by the importer is over 50 per cent. So what in the name of common sense is the Manufacturers' Association hollering about? If that is not protection enough for them, what do they want?

I had not intended speaking on the budget, but I have been prompted to address the House by reason of some criticism that I heard in Montreal the other day from the Manufacturers' Association respecting the budget. They have worked very, very hard to get me into the Association, but I prefer to run my own business rather than allow any organization of manufacturers to run it for me. I want to be in touch with my business and be able to do the dirtiest job; while other people are dreading such things. I never saw a dirty job yet that could not be fixed all right with soap and water. If any men are losing business as a result of the budget, I ask them to live as modestly as do the members composing the Progressive group; I ask them to economize, to tell their dear wives, "I am not making so much money, perhaps, as you think I am, and probably it is our neighbours after all who tell you how rich I am." It is a very common practice for an acquaintance to say, "If I had your money I would do so and so." But so far as I am concerned, I spend my money to the extent of my credit, and I do so for the development of this great, grand and glorious Canada, as I am a Canadian first, last and all the time. I believe that we should go north and develop our great resources. I see the hon. member for East York (Mr. Harris) is in his seat. The other night—and I say it in all kindness—he was telling about the Laurier government building a railroad away in the northern part of Quebec. He knows what I am going to say now. I say to him, "Just cast your eye on the map and you will see that more than nineteen-twentieths of the great province of Quebec is north of the railway."

Mr. HARRIS: Will the hon. member tell us about the population north of the railway?

Mr. BALDWIN: There are few people there; but I believe there is untold wealth in that country awaiting development, and I am willing to risk the money I have to help find it. It is claimed that the gold vein which is making the province of Ontario so rich runs through northern Quebec down to the Labrador coast and up to Hudson straits. I ask hon. members to visualize the wealth that God in His wisdom has placed in the midst of that country—wealth that will enrich the Dominion. The great clay belt alone is capable of producing immense wealth. When I read in the newspapers the troubles and deaths by accidents at the coal mines in the United States I say to myself: Canada should rid herself of paying the United States $100,000,000 a year. Instead of sending all this money out of the country we should create a better, a cleaner and a more serviceable power in our own country than we can generate from American coal. Eventually our water-powers will warm us as well as give us power and light.

In conclusion, Mr. Speaker, I stand at the back of the Acting Minister of Finance (Mr Robb) because he has had the boldness and the courage to bring down a budget that few men in this House would have dared attempt. I congratulate him on his sound discriminating judgment.

Mr. M. C. SENN (Haldimand): Mr. Speaker, it is my intention to speak very briefly on several aspects of the budget. The effect of the budget and of the subsequent addresses delivered by several hon. members on the other side of the House, particularly by the members of the government, has been to create a feeling of uncertainty and apprehension throughout industrial Canada. A further result has been to bring the issue of protection more prominently before the House and before the country.

Last year there was an increase in the British preference on knitted goods, and in spite of the bad effect that that had upon industry, this year there has been another reduction in the tariff on farm implements. The injury brought about by these changes in the tariff has been greatly increased by the suggestion involved in the hope expressed by the Minister of the Interior (Mr. Stewart) that these reductions should be the death knell of protection. Last year I pointed out to the House the serious consequences which the increase in the British preference would have upon the woollen industry of this country. There has been sufficient evidence before us during the past year, both through statements in the press and in speeches made in this House, to justify fully the warnings which were given at that time. I think it was the hon. member for Fort William and Rainy River (Mr. Manion) who made the statement in the House not long ago that 40 per cent of the machinery in our woollen mills had been closed down.

Now, these are the results which we have already seen in respect to the change in the tariff on woollen and knitted goods, but there are results which we have not yet known anything about. Our woollen industries and our knitting industries are struggling along as best they can to retrieve their position and to keep their heads above water. There is a certain amount of momentum which a well regulated and a well organized industry always has which enables it to carry along for a certain length of time even under adverse circumstances, but if those conditions do not improve that momentum must gradually fail.

I could inform the House, if I were at liberty, of companies who are in the woollen business who did not feel the immediate effect of the increase in the British preference, whose sales for the past three months of this year have been practically cut in two compared with their sales of a year ago. Many companies are in the same predicament, and the result must be that large numbers of their factory operators will be thrown out of employment and possibly will have to migrate to the States to earn a living for themselves and their families.

There is every indication that the volume of imports will go on increasing. I have in my hand a clipping from the Daily News Record, a financial paper published in New York, of the issue of April 21st, 1924, which shows very clearly that the people across the line are looking to Canada for an outlet for their surplus product in woollen and knitted goods. The caption of the article should, I believe, demand the attention of hon. members. It is this:

Canada One of Largest Outlets for all Classes of Knit Goods.

The article says:

Canada forms one of the largest foreign outlets for nearly all classes of knitted goods, especially cotton and silk hosiery, and cotton underwear, the greatest bulk of imports of these articles being from the United States. Great Britain, however, practically controls the market in Canada for foreign made knit goods.

It goes on to state the amount of cotton, woollen and silk hosiery imported during the past year, showing that the total value of the import of these articles was $5,100,000 for the fiscal year ending March 31st, 1923, as compared with $2,800,000 in 1922. It points out also that for the fiscal year 1923 the share of Great Britain in the total import was 63 per cent. It says further that although the United States share of this trade has shown a marked increase, Great Britain still retains a strong hold on the market for wool hosiery and underwear. That is sufficient to show the House, I believe, that the United States as well as Great Britain are looking to Canada for an outlet for their woollen and knitted goods. Another significant fact is that Mr. Walter Schwaebsh has been in Canada recently on a mission to promote the sale of German knitted goods. Among other things he told us while here, through an interview to the press, that the scale of German wages for woollen operatives was 40 cents per day. It is readily to be seen, how impossible it will be for our woollen and knitted goods manufacturers to compete with a wage scale of that kind.

9 p.m.

I want to make a comparison between the duties imposed by the United States and by Canada on woollen goods and knitted goods, a comparison which I think will be of interest to the House. I have taken for the purposes of comparison the line of knitted sweaters, which are sold at the rate of $15 per dozen by the British manufacturer. The Canadian duty under the British preference on these articles is 20 per cent, which amounts to $3 a dozen, while the American duty on the same line of goods is 45 cents per pound, and 50 per cent ad valorem, which amounts to $9.75 per dozen. This is only a sample of what might be shown in artificial silk goods, stockings, and so on. I have made this comparison to show the difference between the attitude of the United States toward their industries and their workingmen and that which has been adopted by the government of the day in this country. The result is that our operatives are leaving Canada every day to go to help build up the protected industries of other countries particularly the United States.

Under the tariff regulations of 1923 a duty was placed on artificial silk fibre coming into Canada. We were informed by the Finance Minister (Mr. Fielding) that its purpose was to encourage the establishment of an artificial silk industry in Canada. Incidentally I might say that that was an acknowledgement by him of the value of protection. A duty was also placed on artificial silk tops, which are very largely used in our spinning mills. I am credibly informed, however, that this new industry which was expected to be in operation at the beginning of next year does not intend to manufacture artificial silk tops, therefore there is no necessity for adding duty to them with a view to encouraging their manufacture here. This matter has been

drawn to the attention of the Finance Minister on more than one occasion, but as yet no remedy has been applied. It seems too bad that our Canadian manufacturer has to buy these silk tops at a higher rate because of this duty than does the British manufacturer who is selling his goods in competition with ours in the case of the finished article. In spite of the very apparent result of the increase in the British preference upon the woollen and knitting industry the government have seen fit to reduce the duty on agricultural implements. It is contended that this has been done for the purpose of aiding agriculture, but I feel sure that instead of aiding agriculture it will in the end have a disastrous effect.

There is no use denying the fact that agriculture in Canada to-day is not in a prosperous condition. There may be some difference of opinion as to the reason for this, but I believe there are three reasons, briefly stated: The first is the loss of purchasing power in Europe. The second is the high tariff walls raised by the United States against our products, and the third is the large importation into Canada of agricultural products from the country to the south. The third reason, it seems to me, is the most important one and the one to which you must turn for a remedy for the existing state of affairs to-day.

It goes without saying that we have little or no control over the purchasing power of Europe, nor over the tariff barriers imposed by the United States, but it should be the duty of the Canadian government to do everything possible to adjust conditions in respect of the unequal deflation of prices. As usual the government has proceeded in the wrong way. The Minister of the Interior (Mr. Stewart) said in his speech last Monday as reported on page 1338 of Hansard:

> We took into consideration the fact that we should, not to any extent, injure the manufacturers of farm implements in Canada, and it is not the desire of the government to interfere with the interests of any industry in Canada. But let me say that, when the full effects of these reductions are felt and when the encouragement which will be given to agriculture permeates through the business of Canada, there will be less unemployment and less emigration to the United States than under existing conditions to-day.

Now, I should like to examine for a moment or two just what benefit the reduction in the tariff on agricultural implements will be to the Canadian farmer, and in this connection I have taken the trouble to obtain a list of the prices of agricultural implements as they are used on the ordinary Ontario farm. These are the prices at which agricultural implements are offered the Ontario farmer by a well known and reliable firm:

Manure spreader	$227
Disc—No. 16	73
Spring tooth harrow (17 tooth)	37
Harrows—16 ft.	34
13 disc drill	160
6 ft. mower	109
Dump rake	47
Loader	127
7 ft. binder	284
Wagon 3½ x 11	122
Verity No. 8	62
Walking plough	25
Corn binder	256
Cultivator	48
Small tools, axes, forks, shovels etc.	100
	$1,711

To this price list I desire to add the sum of $290 for "sundries" such as light wagon harness, and so on which will bring the grand total to $2,000. If the farmer could get the full benefit of the reduction in tariff on the price of these implements it would only mean a very small amount per year, taking the average life of these implements at ten years—in any case it would not amount to over $10 a year. Yet the Minister of the Interior tells us that when the effect of this reduction is felt, the encouragement afforded to agriculture will cause a wonderful revival of business. Could anything be more absurd than to have a minister of the Crown stand in his place in this House and intimate that because a farmer is going to enjoy a $10 reduction of yearly cost in his implements the government has removed all his difficulties and that all he has to do is to go ahead and prosper. The government are really saying to the farmer "We cannot do anything to increase your revenue, but if you are not prospering we will see to it that other industries are not prospering either—we will do our best to destroy the market you have in our own centres of population."

Before agriculture can prosper in Canada the price of farm products must be equalized in comparison with that of other commodities. In my opinion the way to do this is not to seek to reduce the price of other commodities by the lowering of the tariff wall, thus driving our industries out of business, but to strive to bring the price of farm produce to a higher level. Our people were never so prosperous as when prices were on the high level, of years such as 1920-21. The way to accomplish this is to retain and to enlarge our home market. In spite of a determined effort on the part of certain hon members to minimize the value of our home market, it is and will continue to be our greatest asset.

The Minister of Agriculture the other night, when speaking on his estimates, expressed the view that the imposition of high duties would increase the price of farm products. He was discussing apples at the time but the inference was plain. I contend very strongly that instead of trying to lower the price of commodities which farmers have to buy—by reducing the protective tariff—and incidentally increasing imports and driving our people out of the country to find employment—we should keep them employed and keep them consuming our own farm products. These they would be able to purchase even under a higher tariff which would increase prices.

The hon. member for Queens (Mr. Sinclair) spoke in the same strain as the Minister of Agriculture. He went to considerable length in trying to convince the House that it was not necessary to increase the duties on farm products. Among other things he made special mention of fresh fruit and cheese, and tried to convince the House that the importations of farm products were largely of a kind not produced in Canada. He also told us that a large percentage of the fruits imported were not of a kind produced in Canada, and that the same was true about the importations of cheese. I do not wish to contradict these statements but let me say that every bit of imported fruit and every pound of imported cheese consumed in Canada displaces just that much of our Canadian products.

Then again in regard to eggs. The minister told us that the great bulk of imports are made during the months of December, January and February, just at the time when our own production is at its lowest. The same is true of vegetables. But the effect of the low duty on these articles is that the American producer has been and is still enjoying the benefit of the Canadian market when it is at its best—in other words, he gets the cream while the Canadian producer gets the skimmed milk. There is another side to this question as well. Importations of farm produce at that time of high prices displaces our eggs and vegetables, which are being held and have not been disposed of. I think the Minister of Agriculture the other night made the statement that our cold storage eggs were second to none in the world. I cannot see what difference it makes to the Canadian consumer whether he gets his first taste of new potatoes or fresh eggs in April or later on so long as he gets it at some season of the year. The ordinary artisan or labouring man does not buy new potatoes when prices are at their peak. It is only the well-to-do that benefit from the importation of American products when our prices are high. The producer and the artisan get the worst of the deal both ways. One way we can help agriculture is by increasing and enlarging the home market. There is another way, I think, in which we can benefit very largely as agriculturists. We need a substantial reduction in freight rates. The Ontario farmer is suffering very materially from high freight rates, and I believe great injustice was done him by the restoration of the Crowsnest pass rates in 1922. Mr. Beatty, president of the Canadian Pacific Railway, made the statement before the Transportation Costs Commission that the chief objection to those rates was the fact that it would prevent the downward revision of rates in Canada generally. These rates affect my own constituency very seriously. I do not think there is a constituency in the province of Ontario which ships more hay and straw than my own. These commodities are naturally very bulky and the freights are very heavy. Most of these commodities are shipped only a short distance, namely 60 miles to Toronto, and yet the freight rate on hay and straw leaving the five principal shipping points in my own constituency amounts to $2.75 a ton. There are many thousand tons shipped out during the year, and if we could only have the same reduction of freight rates which the farmers of the West were granted by the restoration of the Crowsnest agreement it would amount to thousands of dollars to the farmers in that neighbourhood.

It is difficult to understand in the face of the serious situation forced upon the woollen and knitting industries by last year's tariff reduction, why the government will threaten the existence of other industries by tampering with the meagre protection which is now afforded. One is forced to the conclusion that the retention of office is the government's first consideration and that it is of more importance than the welfare of our industries.

I am not in a position to speak about the West but am free to say that the Ontario members of the Progressive group do not represent agricultural Ontario on this question. The Ontario farmers spoke in no uncertain way in the reciprocity election of 1911 and will do so again at the very first opportunity. They realize the value of the home market and the policy which will appeal to them more than any other is one which will retain and enlarge their home market; a policy of adequate protection not only for the manufacturing industries but for their own agricultural product.

Mr. JOHN PRITCHARD (North Wellington): In rising to speak for a few minutes on the budget, I feel that it is fitting to make some reference to the fact that death has again visited our midst. While it has not taken one of our number from us, it has affected a gentleman who has occupied one of the first positions in our land, and to-day we have a number of the members of the government prominent in the public life of the country who have not been able to appear in their places on account of ill health. We are again brought to think of the lines:

> Lives of great men all remind us
> We can make our lives sublime,
> And, departing, leave behind us
> Footprints in the sands of time.

We are sorry to think that men who have occupied prominent positions in this land for a number of years will, we fear, never again enter into the active duties of this parliament. I do not want to be pessimistic, but I think we all believe that; and furthermore some of us who believe we are in the activities of life, when we stop to think, realize that it will only be a few short years until we also will be called upon to depart from the scene of our present activities. May it be said of us as we can honestly say of some of our predecessors that we also have played our part in the work allotted to us.

Perhaps I might also pay the Acting Minister of Finance (Mr. Robb) the compliment of saying that while his budget does not please us altogether—for some of us are very hard to please I will confess—it is perhaps a step in the right direction. Now I am going to give my opponents credit for being sincere in their endeavours to do something in the interests of Canada, so far as our trade relations are concerned. I would like for a short time to view the situation as it exists, and to see what the actual conditions are to-day. Any remarks I may make are based on what I have heard while sitting in this House for two years; and, in common with the hon. member for Cariboo (Mr. McBride)—and I came from the same stock politically as the hon. member—I have been persuaded more and more as I have listened to the debates in this House, of the weakness of the arguments of those who are endeavouring to build up this country by a high tariff wall. Perhaps there are no arguments from any corner of the House that have convinced me of the fallacy of their contention more than those which they themselves, have advanced. I have listened to their speeches with great interest, and I will endeavour to-night to make a few remarks about some of them, to show what I consider the illogical line of argument they are endeavouring to pursue.

What is the condition in this country to-day? We hear from that corner of the House to the left of you, Mr. Speaker, of the terrible disaster that has overtaken the manufacturers of this country—the same disaster that has been overtaking them for the last two or three years—and they connect it with the budget which we are discussing to-day. The protective policy has been in operation for about forty years and if there have been any results affecting the economic condition of the country these results have been brought about by the tariff which these hon. gentlemen and their predecessors put into force. We have proceeded, by an over-industrialized condition to bring about a situation in this country, as I remarked the other night, where we have more manufacturing concerns than can find a market for their products. These hon. gentlemen admit that Canadian manufacturers are unable to sell commodities to any other country; but now they wish us to bring other manufacturers into the country and support them, if possible, in order that they may in this way build up the country. I can think of the proposition in no other way than as that of a man endeavouring to lift himself up by the lugs of his boots. It is just as impracticable.

The hon. member for Fort William and Rainy River (Mr. Manion), speaking before six o'clock, endeavoured to show us that while we were paying the taxes, the manufacturers were really paying them. I would like to see how he reasons it out. The manufacturers fix their price, and when they are fixing their price they add their labour, all their taxes, municipal and every other kind, all the cost of the products, all the overhead expenses, and charge everything up to the consumer. We all share in paying the tax to the manufacturer, and as I think the hon. member for East Toronto (Mr. Ryckman) said, we pay even the sales and income taxes. But another hon. gentleman says we do not pay them. Whom are we to believe? Let us look into the situation.

These gentlemen say they cannot carry on unless they have adequate protection. I would like to know how much would be adequate protection. While in Toronto at Easter I was talking to a gentleman and he said "If I were fixing the tariff I would make it so high that the sun would not shine over it." I said, "In any event, suppose you should make the tariff as high as Haman's gallows, what then?" He will stop all intercourse with outside and he will succeed in

developing this country into a manufacturing country. After he has done that, what is the manufacturer going to do with his product? He tells us to-day that he cannot compete with England because they have cheap labour, and he cannot compete with the United States because they have dear labour. What does he want? He will tell us on the one hand that people coming to this country from Europe are going to the United States to produce stuff that they are selling, in many cases, 20 per cent cheaper than the home market with dear labour.

I want to go back to the question of the fruit situation which I was discussing the other night, as I did not bring out my argument fully with regard to that. The hon. member for South Oxford (Mr. Sutherland), when speaking on the Address in reply to the Speech from the Throne, was looking over the statistical reports, and he showed the quantity of agricultural products that we, instead of growing ourselves, were importing from the United States. I think when some of the hon. gentlemen here began to look into and analyse his figures, they found that quite a quantity of that stuff was in the nature of oranges and other fruit that we cannot grow successfully in this country. I believe they do grow them in Ottawa; if not, they grow them in Guelph in very limited quantity as an experiment in hothouses. Supposing we take the hon. member's suggestion and produce this stuff in our country. We start at Ottawa, put up a large hothouse plant and employ a number of men to grow oranges and bananas and all that kind of fruit. We develop a wonderful industry at Ottawa. We then say: "Oh, we cannot make it pay; we must get protection; we shall have to raise the duty on oranges and bananas coming into Canada because we are not making any money in this business and we cannot afford to let these people go out of employment. Look what it will mean. These people will go to the United States because we are not giving them work growing oranges and bananas in Ottawa." Hon. members may think this is ridiculous, but it seems that nothing short of extremes will show these hon. gentlemen the fallacy of their argument.

I remember Mr. Speaker while addressing some of us whom he was entertaining at luncheon, saying that the members of this parliament should be like a board of directors. I should like to look at this matter from that angle for a few minutes, because I thought the suggestion a very good one. We have been advised from the corner where we get so much advice, that we should go into mixed farming. Let us look at that suggestion for a little while. We have a great big farm here in North America, about 4,000 miles one way and about 1,000 miles, more or less, the other way. It is a wonderful farm. We have the finest wheat fields in the world; we have the finest timber reserves in the world, and back in that stony ridge we have the finest mines in the world. We have the greatest fisheries in the world, and the greatest country in the world to absorb a population that is willing to get down to business and produce. But what is the reason that, with this tariff policy for forty years in this country of ours, we have a population of scarcely 9,000,000 people, and we cannot keep them here to-day when they do come. What is wrong? Is it free trade that has brought about that condition? Do you tell me that Canada is prosperous when we stood up in this House last session and opposed the immigration policy of the government of bringing in people from Europe whom we could not keep, and in order to bring them here taxing the people on the land who could hardly make a living? We know we have a country that can support 100,000,000 people; yet we cannot support 9,000,000 people, and we are talking about unemployment. What is the reason for unemployment? We have this big farm, and the policy of the government was to put people on that farm. But what did you do with the few Scotchmen who came over here and who came to Ottawa after this session began? Did you give them any employment? You could not give them employment in your manufacturing establishments, although you have been developing them for forty years and you say that you are building up this country. The farmers could not pay the wages. Why? Organized industry and organized labour have fixed their prices, and they dictate to the consumers what they shall pay for the product of their labour and their plant; whereas the other half, or a little more than half of the population, having no organization to control the price of their output or the price of their labour, have to compete with the cheap labour in Europe, and they are doing that.

Hon. gentlemen talk about keeping the Canadian dollar at par. Look at the statistical reports and see where the money is coming from. Is it coming from the manufacturers or from the farmers of Canada who are working for a dollar a day? If those men cannot make their businesses pay, why do they not follow the example of the farmers, either do the work themselves or go out of business? They will not do that. Last session we had a howl from the woollen

manufacturers. They came to Ottawa repeatedly because there was a little reduction in the tariff on goods coming from Great Britain. Not long ago I picked up the papers and noticed where one of those woollen manufacturers, in this ruinous year of their business, was declaring a dividend of 7 per cent. There is an island in Muskoka—I think they call it Penman's island—of about fifty acres where you will find launches, boats, and I do not know what all. There is another gentleman who comes from a constituency somewhere around Hamilton who also has an interest in that island. What do you find? I believe the manufacturers of the wealth of this country are the producers in whatever sphere they may be moving. If they are not producers, they do not deserve to have the luxuries and the good things of this life. If they toil not, they should not have anything for a reward. When I was making a comparison between the daughters back on that island in the summer time and some of the daughters on the farm, I could not help thinking that back on that island at Muskoka: "They toil not, neither do they spin: And yet I say unto you, that even Solomon in all his glory was not arrayed like one of these."

Where did the money come from? I suppose it came from their fathers in Toronto. They do not want to pay the income tax, they have been telling us from that corner of the House that they should not pay the income tax; that we are interfering with industry. They claim that it is perfectly legitimate for 90 per cent of the money of this country to go into the possession of one-tenth of the people, to be exploited and done with just as they please at the expense of the 90 per cent. I feel that we want a policy that will give at least 50 per cent of the money to 90 per cent of the people. But they personally refuse to stand for anything of the kind. They say that they will fight anything that will interfere with the conditions under which they are living. They have been endeavouring constantly ever since this House met and since I came to this parliament to show that farming is paying. I have been a practical farmer and there are a good many practical farmers in this corner of the House. I have been told—and I know this is correct—that for quite a number of years there were in this parliament few practical farmers, and I think the business of the country is showing the result of that to-day. We have had men trying to represent us in parliament who do not know agricultural conditions. These hon. gentlemen could get away with all this kind of stuff and make people believe it. When we consider the fight that we have to put up in this House to convince the intelligent representatives of this country of the actual facts, it is astonishing to me to think that we should be obliged to reiterate the facts year after year before we can get them to be admitted. Is it possible that men are ignorant of them, or is it that they do not wish to accept the actual facts when they are convinced of them? I do not know which alternative to take. I know that in some cases it is due to ignorance of the situation; but in other cases I am sure that those who refuse to admit the facts are doing so wilfully.

I referred a moment ago to the peculiar situation as regards the competition of our manufacturers, with the cheap labour of England on the one hand and the dear labour of the United States on the other. We farmers produce our goods and sell them to the men who are engaged at low wages in England. I have here an interesting little statement which I prepared in order to show the position of the working man in England as compared with that of the working man in Saskatoon, from the standpoint of the cost of living. And this is only one out of a number of items. The working man in England can buy 6¼ loaves of bread weighing 4 pounds to the loaf, which is a fairly good supply of bread for a small family for 7 days, and can have 15 cents a day over or $1.05 a week for milk. The working man in Saskatoon gets considerably less bread for the same amount of money; in other words, the man in London or Bristol gets 40 pounds of bread for $1.70 as against 25 pounds for $1.70 in Saskatoon. It is obvious therefore that the cost of living in Canada is too high. As a matter of fact I think this is the dearest country in the world to live in. In the United States we can buy things 25 per cent cheaper, as was proved last year, in regard to a good many articles, in the inquiry which was held by the special committe on agriculture. And the same thing is true in England. Yet hon. gentlemen want to tax us still higher; they say that the tariff is not high enough. My opinion is that the tariff is not the whole trouble; I will admit that. Nevertheless the tariff is a considerable item in the high cost of living; and the wage trouble is one of the most difficult problems that we have to contend against. You cannot separate wages, taxes and the tariff; they are all interwoven. The question was asked the ex-Minister of

Finance (Sir Henry Drayton) the other day, why the manufacturers could not sell in the United States; and he could not answer that question, because he was unable to. If the wages of the artisans were reduced to the level of the wages which the farmer is able to pay, the manufacturer would be able to sell his goods anywhere. But the working men refuse to adopt the standard of living which they expect the agriculturists to adopt. In order to exist on what the people in cities are willing to give them for their products, the farmers of Canada would have to live under the conditions of serfs; they would have to adopt the mode of life which some people say the Chinese and the Japanese follow. The tariff is the issue, and it will be fought to the finish. It was said this afternoon by some hon. gentlemen that the tariff would be the issue before the country for some time to come, and I have no doubt as to the truth of that statement. We cannot, as I say, separate the tariff from the question of taxes and from the wages that are paid. In that direction I heard a criticism of the government by the hon. member for Halton (Mr. Anderson) the other night. The hon. gentleman was referring to what he termed the extravagance of the government in connection with the running expenses of the country, comparing the year 1914 with the years 1922, 1923, and 1924. I took the trouble to work out his figures from my way of looking at the facts and I found that wages had gone up practically 60 per cent in that time, whereas the expenses of the country had increased only 30 per cent. Allowing 50 per cent of the cost of running the country now for wages, it would appear that the country is being managed to-day at a lower cost than it was in 1914. A good many charges are levelled at our public institutions and our local legislatures on account of the extra cost which is involved at the present time in administration. But the great trouble to-day is the wage problem.

As a practical farmer I should like to state briefly what I would do, and what I think every intelligent farmer does. I would not attempt to grow oranges on my farm, nor would I raise peaches. As I said the other night, I looked around to see what my particular locality was adapted for growing, and when I ascertained that, I produced that crop. Hon. gentlemen talk about the home market, and it makes me tired. Every one of these high tariff men harp upon that string, and it is no use laughing at them if we do not meet their arguments. They tell us that if we build up the cities we shall have a home market. Well, that would take altogether too long; we should have to wait several hundred years for such a market, and we are too practical to do anything of the kind. We are told that we are producing too much wheat for the market, and the western farmers are described as miners and not farmers. When travelling through southern Alberta last summer, however, I met a real farmer, a man who was by no means a miner. Now, I believe there is some truth in that assertion; I will not altogether refute it. I believe we have men who are not good farmers. But this man had been on a farm twenty-five years and he had a good stable and a good pile of manure. He was taking care of it and I said to him, "Charlie, what are you doing with that pile of manure?" He said he could not do anything with it yet as his crop was ready to cut. The crop was very good in some places, while in other places it was quite heavy; and he said there was only one little spot where in twenty-five years he had found the slightest need of manure. Had he used the manure on his land it would have been all gone; but the time will come when it will be needed. In the older section of Ontario where we have been cropping the land for fifty years I can show any hon. gentleman farms that have been constantly cropped and are yielding as good crops to-day as ever in their history. And a hundred years hence they will be producing just the same. There is one difference between our farms, properly managed, and our mining and other industries. Our timber resources may—and will—fail, our fisheries may fail, our mines may be worked out; but you will never work the land out. The land will be a national asset for all time. And we have the promise that as long as the world stands seed time and harvest shall not fail.

Now, then, the question is: Are we going to encourage our basic industry, or are we not? They tell us that we have over-production of wheat. What did the most expert men to be found on the North American continent testify before the Agricultural committee two years ago? They stated, and I believe them to be correct, that every year a market is found for all the wheat the world produces. We know very well as practical farmers that in Ontario we can consume a great deal of the wheat that comes from the West. We are consuming screenings, and we want more of them. There is no duty on corn coming in from the corn belt of the United States, we have been getting it free of duty for the last forty years. We are not objecting to that. When it is shipped in from the United States to our market it does not seriously

hurt our market because the surplus agricultural products of the United States will reach the same market as our surplus will go to eventually. The same remark applies to importations of eggs or butter or cattle. For instance, a drover from Toronto goes to Chicago and buys cattle by the trainload, brings them into this country and eventually ships them to Great Britain. What difference does it make to us? Ultimately they all go to the one market. As I said before, the 20 per cent exportable surplus regulates the price of the home market. And anything we cannot produce successfully and find a market for we have no business to produce at all. The other night the fruit situation was discussed, and we were told that our British Columbia fruit farmers cannot sell their product in this country without a protective tariff. I noticed in the paper a few days ago that British Columbia apples are shipped as far east as Nova Scotia. But I know for a fact that in the county of Oxford one of our fruit growers made a substantial profit on his apple crop. He did not care about protection; he could compete with the world in growing apples. Therefore when the hon. member for South Oxford (Mr. Sutherland) asks to have price regulation for farmers' produce I am astonished, for we have a soil and climate that will produce almost anything we need in the agricultural line, and consequently we have no competition to fear from any quarter of the globe.

Now, I do not wish to knock our industries, if they are essential; but I believe we have industries that we might as well be without. If they are not self-supporting and able to carry on business efficiently, I say they should be eliminated. We need manufacturing industries, but they should follow agriculture in this country and not undertake to lead our national development. That is my opinion. I believe that certain industries will have to be closed up, for we have too many. I remember fifty years ago in my town we had two foundries and several other small industries. The people left the rural sections for the small towns, and eventually they left the small towns for the cities. What happened? The larger concerns came in and deliberately put the small industries out of business. Having killed the small industries and the small towns, the big fellows now are afraid they are going to be hit and they set up a howl. We had two of the finest packing plants in my district, but they were put out of business by the big packing interests, who used for the purpose the money they made out of our earnings, for they got it from nowhere else.

[Mr. Pritchard.]

As I said before, the budget is not exactly what I would like to have seen. But, remember, I do not mean to say that I want greater reductions. What I want is to have the duties lowered on the necessaries of life for the working men. I am going to vote for the budget for the reason that I think the government have gone as far as I would ask them to go at the present time, but I believe the amendment calls for something that in the future we should have. But I am not going to lie down under the charge of being a free trader. I am not a free trader. I believe that the tariff should be lowered somewhat, for, as I said before, I think wages must be dealt with. The question of wages is the most difficult problem before us. That is one reason why I should like to have seen the resolution of the hon. member for Portage la Prairie (Mr. Leader) brought before the House and discussed intelligently. After hearing the complaints and charges brought by the Civil Service in this city against the government and against hon. members, I think we must admit that they have grounds for their contention that we are willing to cut the other fellow's income but not our own. In one sense I do not think we are getting too much. But Mr. Speaker are we here for dollars and cents or in the interests of Canada? If we are here for dollars and cents we are not worthy of our positions as representatives of the people. But I think we are here in the interests of the country, and that whatever is for the welfare of the Dominion as a whole we want to accomplish. I believe that we cannot convince these men of our sincerity until we set them an example. For my part, I am willing to deal with wages just as I would deal with the tariff, that is, I would apply a 12½ per cent cut to every member of the government service who is getting $3,000 and over; I would not confine the cut to the Senate and the House of Commons. I would attempt to bring things back to a balance so that the man on the farm and the manufacturer could both hire their help and work together harmoniously. In this way we could develop agriculture and so create real business for the manufacturers. It will hit some of our industries, but I believe it is quite possible, if agriculture gets a chance to develop, for it to soon create such a volume of business as will give all our manufacturers full opportunity to employ not only their present hands but many additional ones.

Mr. T. G. McBRIDE (Cariboo): Mr. Speaker, I do not think there is very much left to be said in connection with the budget; the ground has been pretty well covered. To

me the budget is a business statement and has been brought down in a businesslike way, and I think the Acting Minister of Finance (Mr. Robb) and the government deserve a great deal of credit for bringing it down as they have.

A good deal has been said in connection with the tariff. A number of members on this side of the House criticised the people in British Columbia for trying to get a fair price for their apples. The other night they took up two hours of the time of the House on the subject. I hold in my hand a letter from the Grain-grower's co-operative organization which shows that organization makes 60 cents per box, whereas the man that raises and packs their apples only gets a dollar a box. I would ask some of my friends who is the greatest grafter in that transaction, the man who raises the apples or the man who gets the 60 cents. Here is the letter, written by one of the officers of the grain-growers' organizations.

There are many points in connection with the tariff that might be touched on. I think that there was a tariff reduction coming to this country. I am not a free trader by any means, but I do think that the government deserve a great deal of credit for the reduction they have made and I hope to see them go still further in that direction later on.

A great deal has been said about the poor wage earner in this country. Some people make a special plea with regard to the wage earner; they seem to be always fighting the wage earner's battle. The hon. member for Vancouver Centre (Mr. Stevens) made the statement that about 50 per cent of the cost of manufacturing articles went in wages. I would like to quote a few figures in that connection. Before doing so, I wish to say that there has been a good deal of talk about the reduction of the tariff driving people from Canada to the other side of the line and also closing up our factories, but I see by reports from the other side that factories are closing up there also. I saw an item in a newspaper which stated that one United States factory had closed its doors and that 3,800 men had been thrown out of employment. If this cut in the tariff is throwing people out of work on the Canadian side I should think it would increase the activities of the factories on the other side, according to the statements of some members of this House, but people seem to be thrown out of employment in the United States just as they are here.

The following statistics were sent to me since the budget was brought down and since the statements about the poor workingman have been repeatedly made on the floor of this House. The figures are based on what the workingman gets out of the manufacturers' cost, not the retail price. For instance, if the amount paid in wages based on the cost of manufacture was 18 cents, when it would get down to the consumer it would be about 9 cents. Now, here is what the wage earner gets on the dollar: in cotton goods, 17 cents; silks and woolens, 16 cents; hosiery, 18 cents; glassware, 30 cents; sugar, salt and linseed, 3 cents; aluminum goods and gloves, 18 cents; shoes, that we hear so much about, 27 cents; carpet and rugs, 20 cents; gas engines, 23 cents; electric machinery, 23 cents. Where does the rest of it go? We do not hear that mentioned. We do not hear what the manufacturer gets, but this is what the wage earners get. The writer of the letter I am quoting these figures from goes on to say:

10 p.m.

> A girl running a number of machines will knit 1,800 pairs of socks in a day, at a cost of 2 cents per dozen or one-sixth of one cent per pair.

Not very much in wages, is it? He goes on to say:

> A man running a number of machines making spark plugs for automobiles turns out a spark plug in six seconds, at a wage cost of one-eighth of one cent.

That is what the poor workingman, whom we hear so much about, the man we are supposed to be driving out of the country, gets out of making spark plugs. He says in conclusion:

> The next time you hear any of your manufacturers wax eloquent on the high wages paid to factory workers in this country you can produce the above figures to them and ask them for an explanation.

I might say I have not got that explanation yet. Now I would like to say a few words on immigration. I saw in a Montreal paper a few days ago the following words uttered in a speech made by a certain gentleman—I do not know that I will take his name in vain just at this time. He said: "The western farmer and the city worker are both slaves." When I read that I could not help thinking that it was unfortunate for Canada that that class of people was allowed to land on our Canadian shores, as it is not in the best interests of Canada that such statements should be made. That is not the kind of statement that will build up homes in this country or make our Canadians contented. We do want immigration in Canada. I know out West it is a difficult proposition to get help on the farms. I am referring to British Columbia. We want immigration, but we do not want the class of immigration who is whining all the time. We want men who

are willing to work and to make Canada what it should be. After nearly thirty-two years of experience I am here to say that there is no country that offers such opportunities to a young man or young woman as Canada does. There are many resources here to be developed and the country offers many splendid opportunities.

There is another kind of immigration that we do not want. I will refer to that very briefly, because the hon. member for Comox Alberni (Mr. Neill) dealt fully with it the other evening. I am speaking now of oriental immigration and I want to thank this government for what they have done in the past in preventing the oriental from coming to our shores. This government have done more to put a stop to orientals coming to Canada than all other previous governments. They have practically stopped the Chinese from coming in; last year only about seven or eight entered Canada. I would ask them, however, to go a little further and to apply the same act to the Japanese. It has been said that the Japanese have very elevated ideas about their own ability and that the Canadian people do not want to hurt their feelings. What about their hurting the feelings of the Canadian people? What about their coming to a country where they know they are not wanted? No people know better than the Japanese and the orientals in general that they are not wanted in this country. In that case why should they have this right to come and impose themselves on the people of Canada? I would ask the present government to apply to the Japanese the same act that is now in force against the Chinese. If they do they will find themselves commended in history for keeping Canada a white man's country as Australia is doing.

There are one or two other questions I should like to bring to the attention of the House. It is true they are local in their character but they are not the less important because of that. One of them has to do with the transcontinental highway. When British Columbia entered confederation it was with the agreement that the Dominion government would build a railroad from east to west so as to connect the province with eastern Canada. At that time we had a highway from the coast up into the interior of British Columbia. Some people may say that that thoroughfare was not a first class highway, but I have talked with men who frequently used it in trading operations and when six yoke of oxen were able to haul ten tons of supplies the road could not have been a very bad one. In fact I will give some figures which the engineers of the Highways Commission have compiled to further demonstrate its favourable character. They admit the liability of the government to put that road in repair. In the first place they say, "The old Cariboo road varies in places from twelve to eighteen feet wide." They also say that it was in fairly good shape when the Canadian Pacific railway was begun. According to the report of the Canada Highways Commission to the Department of Railways and Canals the location of the road, its grades, the crib work, retaining walls, and other engineering features were all of a high order. For many years after the construction the Cariboo road was the only trunk artery into the interior of the province, and tourist traffic along the scenic Fraser route has given a new value of importance to the old road. Traffic is now impossible, as about sixteen miles have been closed as a result of accumulation of slides caused by the construction of the government built railway. The report continues:

> Owing to the utilization, in part, of the general location of the old Cariboo road, pursuant to the desire of the Dominion government as expressed in instructions to their engineers to secure a good serviceable, reliable railway with the least possible outlay, it would seem that the Dominion government, should not be called upon for the cost of rebuilding the Cariboo road, destroyed in construction of railways, unless the provincial government want to reconstruct the whole Cariboo road.

That is just what the provincial government is doing at the present time. It is constructing the road, and the people out there think the Dominion government should put into condition that portion of the road which was destroyed when the Canadian Northern and Canadian Pacific railways were constructed. The estimated cost of re-establishing that portion of the road injured by the construction of the Canadian Northern would be $153,897, and the making good of the damage done by the Canadian Pacific railway would amount to $217,500. Now the British Columbia portion of the latter railway was built by the Canadian government and accordingly the province's claim in connection with that line is a reasonable one. Under the federal Highway Act a splendid system to connect roads has been constructed on the coast side of the mountains, and also in the interior of British Columbia. The Fraser river road referred to being the only link connecting the two I should say it is exceedingly important that the Cariboo highway should be opened with the least possible delay.

As I have already explained it is in regard to these portions of the old Cariboo road which were destroyed by the railway construction referred to that I am requesting the assistance of this government. The Cariboo highway has been given the status of a

gazetted road by the provincial government, which to date has not abandoned any portion of that highway. I think it is up to the Dominion government to make a special grant in aid of the reconstruction of that road. According to the evidence of their own engineers it was the construction of Dominion railways that put the Cariboo highway out of operation and it is very important at the present time that that highway should be reconstructed. The estimated cost of the work, I should explain, is about $1,500,000. The provincial government is not asking the federal authoritites to defray the whole cost of construction, but only a certain amount of the expense.

There is another matter I should like to bring up. It is in connection with the returned men and I regret that the Minister of Soldiers' Civil Re-establishment is not in his place. At Tranquille in British Columbia there is a sanatorium, which accommodates quite a number of returned soldiers. Those men were deemed good enough to go overseas and fight for Canada. Unfortunately while they were there quite a number of them contracted lung disease and are now in this sanatorium. Some of them have been cured as far as the treatment at the sanatorium will allow, but when they leave the institution and return to the coast they find the climate there too damp for them and very often they experience a relapse. If they seek admission in boarding houses in Kamloops, or any part of that district they are not wanted. When they leave the Tranquille sanatorium they are looked upon by many people as actually having tuberculosis and consequently these poor fellows are not wanted in boarding houses, the other lodgers would not care for their company. If the government would make a grant of say $25,000 it would be possible to purchase ten or fifteen acres of land upon which ten or twelve cottages might be erected as an experiment. By making provision of this character the government would go a long way to satisfy the returned men at the sanatorium. When they left the hospital they could go there and enjoy some of the comforts of life, and have their wives and families with them. It seems to me to be pretty hard that men who went overseas and fought for their country should have to live divorced from their wives and families when they return to Canada. For that is what it means—the wife and family live at the coast while the man himself is compelled to reside in the interior because his health will not permit him to return to his loved ones. Now, a man at Kamloops with a cottage and an acre of land could raise all the vegetables he needed and he would be kept employed for a large part of the summer. I think the government would be well advised if it would set apart an appropriation of $25,000 for the purpose of making this experiment.

There is still another matter to which I wish to allude. The Dominion government owns a telephone system in British Columbia. That province differs from the other provinces in the fact that it is very much cut up by mountains. You can go into some of the mountainous regions and find there only ten, fifteen, twenty or maybe fifty families who are practically isolated from the rest of the country. If the government would be a little more liberal in its appropriations for telephones better facilities could be provided for the people to whom I refer and they would be in a much more contented frame of mind.

While I am in favour of immigration being brought to this country, I have always maintained that a man raised on a farm in Canada is twice as valuable as the immigrant brought in. Men brought up in the country know its ways and can readily adapt themselves to varying conditions.

I should like to say just a word about the value of the telephone in helping to bring contentment to outlying and sparsely settled districts. There are districts where telephone lines have been installed and it seems to put new life into people and to make them content. I am not saying that it is the right and proper thing that the Dominion government should own the lines. I think it should be a provincial matter. However, I am taking the matter as it stands. The Dominion government owns these lines, and has owned them since confederation. I think it would be money well spent if the government would build a number of extensions in the outlying districts. The Minister of Public Works should give special attention to the question.

On motion of Mr. Marler the debate was adjourned.

On motion of Mr. Mackenzie King the House adjourned at 10.15 p.m.

Tuesday, April 29, 1924

The House met at three o'clock.

UNITED CHURCH OF CANADA

Petitions to the number of 151 were presented on the subject of Bill No. 47, to incorporate the United Church of Canada. A list of these petitions and of the names of

the members by whom they were severally presented appears on page 1829.

OLD AGE PENSIONS

APPOINTMENT OF SPECIAL COMMITTEE OF INQUIRY

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

That a special committee be appointed to make an inquiry into an old age pension system for Canada, with power to send for persons, papers and records and to report from time to time, and that the said committee do consist of the following named members, namely, Messrs. Fontaine, Irvine, Logan, McConica, Munro, Neill, Preston, Raymond, Robichaud, Sexsmith, Spence and St. Père.

Mr. SPEAKER: Notice is required for this motion, unless by unanimous consent.

Motion agreed to.

JUDGES' ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 65, to amend the Judges' Act.

He said: Under statute of the province of Ontario enacted in 1919 the Lieutenant Governor in Council may designate certain counties to form a county court district, and in many cases counties have been so grouped. The purpose of the amendment is to permit the Governor in Council to fix a place for the residence of the judge or judges in such districts when so created.

Mr. MACLEAN (York): Does the proposed measure make provision for any changes or readjustments of salaries?

Mr. LAPOINTE: No.

Motion agreed to and bill read the first time.

THE BUDGET

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

The House resumed from Monday, April 28, the debate on 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 Mr. Woodsworth.

Mr. HERBERT MARLER (St. Lawrence-St. George): Mr. Speaker, my first duty in rising to address the House to-day with respect to the budget speech—and it is a most pleasant duty—is to offer my sincere congratulations to the Acting Minister of Finance (Mr. Robb) on the very prominent and very honourable position he has attained in the public life of this Dominion. Indeed, I do not think there is anyone on any side of the House who would attempt to deprive the hon. minister of that title to which every public man in this Dominion should aspire, namely, to be known as a good, a loyal and a faithful public servant. That title the minister has worthily gained; that title I feel quite positive he will worthily hold. That being the case, and such being my own personal opinion of the minister. I trust that he and, in fact, every member on this side of the House in particular, in judging the remarks I propose to make to-day in discussing the budget will at least give me credit for that frankness which the minister himself has always manifested. In discussing the budget speech it is possible that I may disagree with the minister in methods of estimation and perhaps in methods of execution, but I hasten to assure him and to assure every member of the House, particularly those on this side, that such disagreements are not advanced in the light of any personal hostility; indeed, Sir, quite the contrary; they are advanced merely on the ground of personal conviction, on the ground of belief in policies which I regard as best for the welfare of this Dominion, to say nothing of their value to those whom I represent in this House.

I should be sadly lacking in appreciation did I not join with the Acting Minister of Finance (Mr. Robb) and other hon. members in expressing my deep admiration for, my great debt of gratitude to the Minister of Finance (Mr. Fielding), that great Canadian statesman to whom we in this House and all the people of Canada owe so much. As a matter of fact, I think I can safely say without any reservation that to Mr. Fielding I owe much of the viewpoint which I take towards the public affairs of this country. To his caution, to his constructive ability, to his desire for stable fiscal policies, but above all to the pre-eminent desire which he has always had to see every interest in this Dominion treated with the utmost fairness, I owe, and I think every person in this Dominion of Canada owes, a deep debt of gratitude, such a debt that it is almost impossible in my opinion to repay. Perhaps it is possible in a measure to repay that debt of gratitude if we follow—and certainly if we follow during the constructive period in the life of this great though young country—all the procedures and policies which Mr. Fielding has undoubtedly given us from time to time.

I will pass now, Mr. Speaker, to the financial part of the budget speech, that is to say, the part dealing with the expenditures and the receipts. It is of importance to understand that part because it shows what we owe

and what we have to spend. Undoubtedly, spending is very much more pleasant than owing, but in spending I think we should always bear in mind that it does not matter to what account we may charge any of our expenditures, sooner or later those expenditures will have to be met. We have also spoken in this House on numerous occasions of the rigid necessity of economy in all spheres of government. The need for economy has been emphasized from the floor of this House time and time again. Where we have actual surpluses over actual yearly expenditures, perhaps expenditures may be warranted; but on the other hand, where we have not actual surpluses over expenditures, perhaps then, in certain cases, expenditures may not be so justified. As a matter of fact, to give the people the idea that the day of abounding surpluses has arrived is merely to encourage spending and a lack of economy, and I therefore ask, Sir, with all due respect, if we do give the people that idea, is it the right idea to put forward? Why should we not, as a matter of fact, take the people entirely into our confidence? Why should we not exhibit to them a simple statement of our financial affairs in language which they can all understand? After all, they are the people to whom we have to account. Accounting to one another across the floor of this House does not bring us to the point where real accountability lies. However, I do not intend to speak at any great length on this question of our accounting or on the question of our receipts over disbursements; most of those matters I took up on another occasion in this House. It will quite suffice for my purpose to-day to treat our revenue as a whole, and to divide our expenditure into two groups, the first group consisting of all expenditure—and I include in that ordinary consolidated, capital and special expenditure—and the second group dealing with railway expenditure. As regards our public debt likewise it can be divided, I think, into two categories; first our ordinary consolidated debt, and second our railway debt, both together constituting, as they do, the total debt of this country. I know that a certain part of the railway debt is at present merged in the consolidated debt; other parts are not so merged. But it does not matter under what account the parts not so merged are taken, the parts, wherever they may be, constitute the total debt of the Dominion of Canada. In other words, we cannot increase our railway debt, without increasing our total debt.

As I stated a moment ago, a part of the railway debt is already merged in our consolidated debt. The part so merged is the cash actually paid out for the construction and betterment of lines and various other expenditures in connection with the railways. Another part of our railway expenditure shows in the public accounts in the form of investments. But there is another part of the railway debt which is not included in either of these categories, and that is the part which has been guaranteed by this Dominion. In other words, guarantees directly or indirectly made, guarantees assumed or guarantees implied—those guarantees, no matter in what form they may have been given, have really become as much a part of the debt of the Dominion as the consolidated debt itself. It may be urged and argued that certain of these guarantees so made represent capital expenditure; that may be true, but in other years amounts expended also represent capital expenditure, and to say of any particular year that a certain part of those guarantees which were made effective are good, and of another year that the guarantee should be segregated into a particular account, is no particular argument, because after all the interest in great part has to be paid out of the consolidated fund of this Dominion.

Now, in past years railway expenditure has been treated in various ways. During the year 1922-23 the railway expenditure and the expenditure on the merchant marine amounted to something in the neighbourhood of $84,000,000. That expenditure was charged during that year directly against consolidated fund account, and the Minister of Finance (Mr. Fielding) that year reported a deficit of $31,500,000. In the year just closed—and I am not uttering this criticism in any hostile spirit at all; I am merely attempting to have the facts clarified before I go on with the balance of my remarks—the railway expenditure amounted in the neighbourhood of $56,000,000. Part of that expenditure was paid by means of cash, and part was paid out of the proceeds of a guarantee issued by the Dominion government, of $50,000,000. Now, it is argued that the guarantee, being an indirect guarantee of the Dominion, does not form part of the public debt of the Dominion. I claim that it does form part of the public debt of the Dominion just the same as any other part of the consolidated debt itself; in other words, the part of the guarantee expended is a part of the public debt to the same extent as if it had been included in the consolidated debt itself. I have no desire—and I would like to make myself abundantly clear in this respect to the government and to all the members—from the floor of this House to detract from what I regard, leaving

entirely out of consideration any book-keeping entries or any accounting, as a most excellent financial statement brought down by the government this year. This government, as I have stated before and can only repeat to-day, has had to bear great expenditures, partly due to the war and partly due to causes over which they have absolutely no control. But what I venture to ask,—and I do it with all respect—is: Why try to place before the public a difficult system of accounting which the public itself cannot be expected to understand? Why not place before the public the actual condition of receipts and expenditures as they may occur from year to year, taking the public into our confidence as questions arise, and asking the public to assist us in governing this country which is so exceedingly difficult to govern? Therefore, taking the railway expenditures to which I have referred and charging back the amount of the guarantee utilized for the purpose, I do not think that what might be called a direct surplus can be brought down this year; as a matter of fact, I would say that there is a small deficit. But let me again repeat, Mr. Speaker, that there is nothing whatsoever to be ashamed of in this account, even with these bookkeeping entries reversed. It is an excellent statement for the government to bring down under all the conditions; it is a step very much in the right direction. When we consider that last year there was a deficit of $31,500,000, and that this year, even with the most drastic system of bookkeeping that one can bring forward, that deficit is reduced at the outside to a very small amount, I think the Acting Minister of Finance and the government itself are very much to be congratulated on bringing forward a statement of that character.

Mr. McMASTER: How does the hon. member treat the guarantee by the government of the Canadian National Railway Company's serial equipment issue of $22,500,000? Does he add that to the debt as well?

Mr. MARLER: I do not know when that issue was made.

Mr. McMASTER: That issue was made August, 1923. I refer to page 1214 of Hansard, top of the second column.

Mr. MARLER No, I have not taken that into account in this computation.

Mr. McMASTER: I am merely asking for information. If the hon. member thinks it wise and proper—and I am inclined to agree with him—that the $50,000,000 guarantee bond issue of the Canadian National Railways should be a charge against the national debt, why does he not treat this $22,500,000 in the same way?

Mr. MARLER: I did not treat the $22,500,000 in the same manner, because I had no particular information as to what that was for. It might have been for the refunding of some previous outstanding obligation. If the hon. member for Brome (Mr. McMaster) can enlighten me as to what it was for, very good. I do not see how the hon. gentleman can tell from the information given, what this $22,500,000 was for, and I do not think it advisable to jump at a conclusion. I would simply treat the railway expenditure during the year 1923-24 on the same basis as the railway expenditure was treated during the year 1922-23, and would have brought down the account accordingly. That is why I say that, in view of the bringing down of the items in the manner as I have just described to the House, I think the government has brought down an exceedingly good statement.

Mr. PRITCHARD: Would it not be necessary in a proper system of accounting to ascertain by some means whether the National Railways is a better asset owing to that expenditure—whether the country has not added to its assets by that expenditure?

Mr. MARLER: Yes. The hon. gentleman's question is a perfectly good one in every way; but I think that in that case he will have to set out all the expenditure made on the National Railways before he can definitely ear-mark this particular $50,000,000 of guarantee that was brought down last year as being an asset of the country. There is no denying for a moment that the proceeds of this $50,000,000 of guarantee is of great advantage to the railway, but the point I am considering now is a cash statement, which is quite a different thing from an investment statement. I hope I have answered the hon. gentleman's question to his satisfaction. I was about to say that one should understand the situation, in order that the various charges made by the budget this year—and there are considerable alterations in the fiscal policy of this Dominion—

Mr. ROBB: I am sure my hon. friend wants to be fair, and before he deals with the fiscal policy, I would like to ask him a question. He has made a comparison as between 1922 and 1923. Would he make a comparison as between 1921 and 1922, when the loans were identically the same amount—$50,000,000?

Mr. MARLER: In answer to the question of the Acting Minister of Finance, I may say that I have not made a comparison. I may also say in answer to his question that I am entirely certain and quite confident that the manner in which he has treated this matter is a perfectly proper way in which to treat it. I am not questioning that for one single instant. I have every reason to believe that this railway expenditure very likely was treated in another way in other years. I am simply treating it, as I answered my hon. friend across the way a few moments ago, as a question of cash received and cash paid out during the fiscal year, comparing it with the year 1922-23. But there is not the slightest question in my mind—and I want to make this perfectly clear to every hon. member in the House—that the Acting Minister of Finance is capable of attempting to make the slightest concealment in any way.

It is in view of this financial state of affairs that the government brings down certain proposals as regards the remission of taxation.

Sir HENRY DRAYTON: The hon. member has not yet told us the amount of deficit he figured. I am asking for information. What does he find?

Mr. MARLER: If I may contradict my hon. friend from West York (Sir Henry Drayton), I thought I had said around $2,000,000 In view of the statement, Mr. Speaker, the government brings down certain proposals as regards that statement. These proposals consist of two parts; first a remission of the sales tax, which is direct taxation; and second, certain cancellations of customs duties, which is indirect taxation, amounting altogether to the sum of $24,000,000. I take it that the basis for bringing down this remission in taxation is the surplus of $30,000,000 which has been spoken of. Whether that surplus exists or not is a question for discussion. But whether it exists or not, no doubt, in bringing down these statements, the government has taken into consideration the expectation that the railways will pay better next year. I sincerely hope they will. No doubt the government has also taken into consideration the fact that very likely there will be a diminution in the public revenues owing to refunds under the old sales tax, and also the fact that business in Canada at the present time is somewhat depressed;—no doubt these things have been taken into consideration by the government. That being the case, I most sincerely hope that next year the government will be able to bring down as good a statement of affairs as it has brought down this year. All these matters I sincerely and earnestly hope for on the part of the government, because, after all, it is the people of the Dominion of Canada whom we wish to see benefited.

But when we are told, through the Minister of the Interior (Mr. Stewart), that the reductions in the tariff mean a loss to revenue of only $750,000 and a consequent gain by reason of such cancellations, I think we have to ask ourselves one of two questions. The first is whether the reduction amounting to $750,000 is worth while owing to the dislocation in business which all these changes will occasion. and the second is whether that is an actual computation or merely an estimated amount. It seems to me that the amount is very largely estimated, and that possibly through a greater loss of revenue the government might not be able to reduce further next year certain war taxes which are now in existence and which, I think, should be reduced. The Minister of the Interior also stated on the floor of the House a few days ago another effect that this cancellation of $750,000 would have. It appears, to me at least, that his reasons were far too visionary even to merit passing notice. The government, however, by reason of these proposals is inaugurating what it calls a real national policy. By reason of the proposals now brought down it expects to effect and accomplish the various matters which the Acting Minister of Finance (Mr. Robb) speaks about in the closing part of his address. This is what he said, and I would commend his words to hon. members:

> We have great natural resources. We have certain basic industries, upon the success of which depend the growth of all other industries, and the greater development of our trade. Of these basic industries, I would place agriculture, in all its varied branches, first. Next to agriculture, I would place our forests, our minerals and our fisheries. A real national policy is a policy that will encourage the growth and development of these basic industries.

Some hon. MEMBERS: Hear, hear.

Mr. MARLER: I am so delighted in this speech to receive applause.

Mr. McMASTER: Go on in that way and you will.

Mr. MARLER: (reading):

> 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 will have money to buy.

Some hon. MEMBERS: Hear, hear.

Mr. MARLER: I am not saying that I disagree with this policy, on the contrary I entirely agree with it; but I disagree with the means of bringing about such a policy. We can phrase this statement in more simple language and put it in this way: That, provided we have a policy which will cure the ills of the farm, the forest, the mines and the fisheries—and I think I should mention the ills of the Progressive party opposite—then our railways will pay and our factories will work at full time. But how does the government go about this? What is this cure? In the first place it reduces the sales tax generally from 6 per cent to 5 per cent. Against that, I have nothing to say. It then picks out certain preferred articles and eliminates the sales tax entirely. Against that I have nothing particular to say excepting, perhaps, that it seems to me that if the sales tax had been reduced to 4 per cent all round such reduction would have assisted those particular industries and industries in general throughout the whole country. But as to what the government has done in this respect I have no very great criticism to offer. If the minister had stopped at that point and had waited until a proper inquiry into the tariff could be made, I think nobody would have had very much cause for complaint excepting, perhaps, a few of our industries which certainly need help at the present time. If an inquiry into the tariff had been made, I think we could then have seen, and seen very clearly, whether or not reductions could properly be made. I believe there are reductions that could have been made. We would have seen in other places where, perhaps, certain slight increases should be effected. I now wait for the cheers of the Progressive party.

Mr. CALDWELL: It is the wrong point.

Mr. MARLER: What we certainly could have ascertained—and this is the point that I desire to bring home particularly to the House— is where our industrial workers could have had steady employment instead of leaving this country and going to the United States. It was not unfair for me to ask, as I did ask in a most temperate manner on another occasion, that this inquiry be gone into, with a view, not of increasing the tariff, but of making a fair tariff, not in the interest of the manufacturers particularly, but more in the interest of the workers, the artisans, so that we could keep our Canadians, and especially our French Canadians in Quebec, employed and continuing to live in this country. But, as the matter has turned out, unfortunately, this request which I made some time ago of the government was not carried out. I think it is only fair to state that the government should have known that, on account of our small population, our climatic and other conditions, and depreciated currency, we cannot in this country compete at the present time with the low paid workers of France, Belgium and England. I think the government knew and knows at the present time that, owing to mass production and slaughtering of goods from the United States, we cannot compete just at the moment with manufacturers in the United States. I think it knew, if I may say so, that owing to the declaration in the Speech from the Throne regarding the question of taxation, business in the country has been marking time for the past eight weeks. And these things I think it is right and proper for one to have expected the government to know and to take into consideration. But its answer to these expectations, its answer to the reasonable requests which were put forward by certain members in the House, is a letting down still further of the bars to the United States. If that policy is to keep our artisans and workmen employed and our mills working overtime, I for one cannot see it; I am quite certain that it will, on the contrary, keep the mills in the United States, and their artisans, engaged overtime. Yes, Mr. Speaker, this is the cure, the cure for the ills of the farm, of the forest and of the mine. All I can say is that I doubt whether the lowering of the tariff is such a cure; at any rate it strikes me as a very Spartan remedy, indeed, as one which will necessitate a lingering illness and perhaps certain death among certain industries. And in the meantime the workman and his family, the clerk and his family, owing to enforced idleness and possible starvation will gradually, I suppose, have became purged of that terrible demon of moderate protection; and after a further period of probation they will probably rise purified and will be ready to sit in the ranks of the Progessive party and sing the glories of free trade. I presume that the Progressives would be quite willing to take them then. It seems to me, Sir, that this particular cure is brought forward so that the blessing of the Progressive party may descend upon the old Liberal party —the old Liberal party with its traditions of Laurier and Fielding—to the end, to use the words of the Minister of the Interior (Mr. Stewart, Argenteuil), that the death knell of protection may be sounded.

Let me examine these tariff changes at somewhat closer range. First of all the tariff is reduced on agricultural implements. I will not attempt, in the time at my disposal to-

day, to take up all the questions that arise in connection with the various changes that are made in the tariff. But the tariff on agricultural implements is reduced by rates varying from 4 per cent to 12½ per cent. Leaving entirely out of consideration for the moment the question whether or not such reduction is going to place the agricultural implement makers in such a position that they will not be able to carry on, let us estimate what especial advantage this lowering in the tariff on agricultural implements will give to the farmer of Quebec and Ontario and to the farmer of the West. I doubt very much, Mr. Speaker, whether the lowering of these particular duties will mean more to the farmer of Ontario and Quebec than $8 a year, or more than from $12 to $15 a year to the farmer of the western provinces. If that is a reasonable supposition, the question arises, is $8 a year going to save the agricultural industry in Quebec, or $15 a year save that industry in western Canada? Why, so far as the province of Quebec is concerned, any small gain of that description will be far more than offset by the losses which will ensue through the depletion of urban markets. But take the situation in regard to the agricultural implement makers. All the small gains which go to the various consumers of their goods are gathered together in the shape of one huge loss to that industry, putting that particular industry in jeopardy; in other words, every gain of $8 or of $15, or whatever it may be, goes to swell the aggregate loss which will be incurred by the agricultural implement industry, an industry which to-day is not in too good a shape. But the government says to the makers of agricultural implements: "It is true we are reducing your duties; it is true that we are doing so, for reasons which it is not necessary to relate at great length. But in place of that we will allow you to bring in free all articles used in the manufacture of your various implements; that is to say, all your rubber, your cotton, your iron and steel, and the hundred and one other things which are utilized in the manufacture of your machines, you shall be allowed to bring in either free of duty or under a maximum duty of 7½ per cent." "And more than that," they say, "under drawback item 1026, on all materials which you had on hand on April 11 we will allow you 99 per cent, under one condition, namely, that these materials on which we shall give you that drawback of 99 per cent shall be materials that are imported and not materials made by Canadian workmen in Canadian factories." Well, Sir, several thoughts are suggested by an arrangement of that description. First of all, this question presents itself: Will this elaborate system of drawbacks, and the permission for raw materials to be brought in free of duty, or practically so, offset the loss in duty to the agricultural implement maker? I do not think it can be said at the present time that it will, nor do I think it can be claimed that it will not; in other words, that particular question is at present quite indeterminate. And the second thought that is suggested is this: Surely no one expects that this is the last cut in the duty on agricultural implements.

Mr. McMASTER: Hear, hear.

Mr. MARLER: My hon. friend from Brome says "hear, hear." The wish no doubt is father to the thought. Now, the duties on agricultural implements have been reduced time and time again, and they will be reduced again, without the slightest shadow of a doubt, so far as I can estimate the situation, until our market is wide open to the United States. The third thought that occurs to one is this: Even if the agricultural implement maker is compensated by reason of the opportunity to procure his materials from the United States in the way I have stated, is it fair to the hundreds of other industries in this country for us to say to the makers of agricultural implements, who consume millions of dollars of materials annually, that they may import their goods at a rate of duty which will give them a cost lower than the factories in Canada can quote? Is it fair to do that at the expense of the Canadian workman? Is it fair to throw those men, as they are being thrown, by this particular article of the tariff, bodily into the hands of the American manufacturer?—I ask, is it fair to the Canadian workmen who are engaged in the hundred and one other industries in the Dominion? I do not think it is; and I am free to admit that this policy astonishes me; for I cannot understand how hon. members from the province of Quebec can fail to realise that while a small saving is proposed to the farmer of $8 a year, there are being thrown out of employment in the cities the sons and brothers of these people, who are at work in these particular factories. Surely hon. gentlemen must see that we are throwing these men bodily to the Americans, from whom these particular French Canadians saved Canada twice in the course of her history, once in 1775 under Voyer and a second time, in 1812, under de Salaberry at Chateauguay. That is how this policy appeals to me, Mr. Speaker.

But what benefit will the West derive even if the entire tariff is taken off agricultural

implements? Surely the West does not imagine for a moment that after our agricultural implement maker is put out of existence they are going to get agricultural implements cheaper.

Mr. HOEY: No.

Mr. MARLER: Oh, my hon. friend from Springfield (Mr. Hoey) says he is not going to put the agricultural implement industry out of existence?

Mr. HOEY: He is not going to be put out of existence; don't worry.

Mr. MARLER: That is the first cheerful remark I have heard for some time.

Mr. HOEY: I am always optimistic.

Mr. MARLER: Will my hon. friend from Springfield guarantee that?

Mr. HOEY: Yes, I will stake my reputation on that for ten years.

Mr. MARLER: I suppose in that case I am justified in stating that my hon. friend will vote against any further reduction of duties?

Mr. HOEY: He will vote for further reductions, believing it will help the industry still further rather than hinder it.

Mr. MARLER: My hon. friend believes in a lingering, rather than a sudden death, then?

Mr. HOEY: No, not death at all; it is inspiration.

Mr. MARLER: My hon. friend believes in inspiration?

Mr. HOEY: Inspiration and animation.

Mr. MARLER: Well, those are two theoretical words which I have heard little boys using when chasing shadows and rainbows.

Some hon. MEMBERS: Oh, oh.

Mr. MARLER: Some hon. gentlemen seem to treat this as a joke. We are playing with human lives in this matter. We have got over the day of chasing rainbows; we are down to facts.

Mr. GARLAND (Bow River): It is about time.

Mr. MARLER: Oh, my hon. friend from Bow River—the place where all the slaves come from.

Mr. GARLAND (Bow River): Yes, slaves of the implement manufacturers and the protective tariff.

Mr. MARLER: The same way with the people in Montreal—they are all slaves too.

[Mr. Marler.]

Mr. GARLAND (Bow River): Not all of them; I know one hon. gentleman who is not.

Mr. CRERAR: I dislike interrupting an hon. member when he is speaking, but my hon. friend is very apprehensive as to the future of the agricultural implement industry in Canada as a result of the reduction in duties brought about by the budget. The cream separator industry in this country has been free for many, many years. Will my hon. friend tell me why, if this industry can be built up without any protection whatever, the plow industry cannot also be built up in the same way where the elements are precisely the same?

Mr. MARLER: I am really very much obliged to my distinguished friend for asking me the question. The agricultural implement industry is, I think, subject to a great deal more competition than the other industry which he speaks about.

Some hon. MEMBERS: No.

Mr. MARLER: But in any event let me say this to the hon. member for Marquette (Mr. Crerar): I am not particularly picking out the agricultural implement industry.

Mr. CRERAR: Then I misunderstood my hon. friend.

Mr. MARLER: I was using it as an example. My hon. friend has brought the matter to my attention better than I could have done myself. As I say, I am not picking out any particular industry, but I claim—a claim which, I know, is diametrically opposed by my hon. friend—that we should be a self-contained nation, manufacturing what we want instead of being dependent on other countries for our needs. I say that if the agricultural implement industry is threatened, or does go out of existence, then we shall be dependent on the United States for our agricultural implements. I doubt if this industry can be built up in course of time in the manner my hon. friend has spoken about. I do not think it can be, but I may be wrong in that respect. But I am speaking generally of our manufacturers throughout the whole Dominion when I oppose tariff reductions, and of course I do not expect my hon. friend from Marquette to agree with me on the point.

If the government thinks that the tariff reductions now proposed are going to cheapen the production of goods generally in this country, I can only say that in my view this will not be borne out by results, for

the reason that in every factory certain overhead costs have to be taken into consideration. Where the factory is producing to capacity the manufactured articles necessarily bear a very much lower proportion to these costs; conversely, if the factory is not working to its fullest capacity, then the overhead costs bear an inverse ratio on the manufactured product. Therefore if the agricultural implement maker, for example, can bring in various materials for use in his manufactured product, to that extent we diminish the output of the Canadian factory which supplies those materials; and so we make goods dearer rather than cheaper. It means that every binder or mower brought into this country simply increases the cost of every binder and mower made in our factories. In like manner, every ton of steel imported diminishes our own production of steel to that extent, and consequently the cost of production of every ton of steel in our Canadian plants is enhanced proportionately. But supposing the actual price of agricultural implements is reduced by reason of the proposed tariff reductions, thus stimulating the importation of such implements, it means that all the materials entering into their manufacture which are produced in thousands of our factories will be increased in price owing to lessened production; consequently the cost of goods generally is bound to be increased by means of such a policy. As a matter of fact, it seems to me that such a policy is not only certain to take work away from our Canadian workmen, but it must inevitably increase the cost of our manufactured goods.

Now, Sir, I am perfectly well aware that in rural ridings of the province of Quebec, and in rural ridings perhaps of the province of Ontario, it will be said: Because we have no factories in certain ridings this policy does not affect them in the slightest degree.

Mr. HOCKEN: Oh, no, Ontario does not say that.

Mr. LAPOINTE: The hon. member for West Toronto (Mr. Hocken) does not say it.

Mr. MARLER: Well, as a matter of fact, I say that this policy does affect the rural ridings just as much as it affects the urban sections of the country—

Mr. ROBB: Hear, hear.

Mr. MARLER: Adversely—not favourably; and for this reason; it means that in the province of Quebec—and I am speaking of this province particularly—at the present time the farmer's markets are not in the United States or other foreign countries, but in the large cities and nearby towns. In other words, the urban population are his best customer. By taking work away from the industrial population—and work is taken away by means of the entry of very many materials from the United States—you reduce that population, and in turn you deplete the farmer's market, with the result that he will not get as good a price for his products, and the small gain which he is expecting to derive from a cheaper harrow or a cheaper plow will quickly fade away. I think hon. members from the province of Quebec should take this into consideration and search their hearts well before they vote in favour of this policy, the adoption of which will certainly prevent any increase in our urban population. And they can also take into consideration the fact that if we have not any place for our rural people to go to work they will certainly go to the United States; they will certainly not stay in Canada.

Mr. BOUCHARD: They will stay on the farm.

Mr. MARLER: The hon. member for Kamouraska (Mr. Bouchard) says they will stay on the farm. Who, then, are the farmers going to sell to? To one another?

Mr. BOUCHARD: In the foreign markets.

Mr. MARLER: How much foreign market has the province of Quebec, say?

Mr. BOUCHARD: We use the British market.

Mr. MARLER: And the urban market too. Is the urban market nothing to the farmer of the province of Quebec?

Mr. BOUCHARD: It is something of course.

Mr. MARLER: Only in some things—nothing of any consequence at all?

Mr. BOUCHARD: Oh no, I do not say that.

Mr. MARLER: Mr. Speaker, may I pass on to another part of my remarks? I cannot believe that these numerous and varied changes in the tariff are in accord with the Laurier-Fielding idea of tariff stability. I know perfectly well that hon. members on this side will immediately retort: "Look at the resolutions which Sir Wilfrid Laurier or Mr. Fielding moved and supported while in opposition; these particular policies are in accord with

those resolutions." I do not think we are so much concerned with what those great and distinguished statesmen did while in opposition; we are more concerned with what they did while in power. While in opposition the intent may possibly be shown, but when in power attention is given to the consequence of the misuse of responsibility. There are instances, in any event, in the Liberal party—and there is no reason why there should not be such instances—where matters have been changed. If I remember rightly, the hon. member for Brome one year moved a resolution as regards directorships in connection with the holding of cabinet positions, and that was approved by the Liberal party while in opposition, but when they came into power, why, they considered that that resolution should not be supported. There is no reason why these changes should not take place.

Mr. McMASTER: I think that certain events that have happened in the financial and other worlds recently have rather justified the position then taken by the member for Brome (Mr. McMaster).

Mr. JACOBS: Does my hon. friend suggest that because members of parliament have been connected with banks, that is why they burst?

Mr. MARLER: Let us look, Mr. Speaker, for our examples of guiding principles to what the Minister of Finance did as regards tariff matters while his party was in power. The guiding principle of the Fielding tariff during the whole course of its administration was stability in tariff, joined with an incidental measure of protection. Hon. members may look in vain through the seventeen budget speeches of the present Minister of Finance for any other basis than that; it is the only conclusion which can be drawn. These principles were affirmed time and time again by Mr. Fielding and were also approved by Sir Wilfrid Laurier whose Minister of Finance Mr. Fielding was for nearly fifteen years.

As regards tariff stability, between 1896 and 1907, a period of over ten years, Mr. Fielding made only sixty alterations in his tariff by act of parliament, and from 1907 to 1911 he made only sixteen alterations in like manner. Yes, Sir, you can read the budget speeches of Mr. Fielding: you will find that when he brought down his first proposals in 1897—that was not his great scientific tariff—certain duties were raised and others were lowered, but the general trend of thought throughout the whole of the tariffs brought down at that time was that every industry should be treated fairly and equitably.

I stated, Mr. Speaker, that the two guiding principles of the Fielding tariff were stability and a measure of incidental protection. In 1898 Mr. Fielding stated, as regards the question of stability:

> But we think, Sir, on the whole, believing as we do that the changes in the tariff should not be numerous or frequent, believing that we should have a large measure of tariff stability, believing that the public understand the policy of the government in this respect and will be content to have us carry it out in that spirit of moderation and caution we have so far evinced, we wish to announce to the House that it is not our intention to make any numerous changes in the tariff at the present session.

And in 1899 he was even more emphatic in regard to tariff stability. He said:

> I wish however to point out several reasons why it is not expedient to change the tariff at present. Tariff stability is always important if we are to have that confidence in business without which we cannot hope to have prosperous times. Therefore even though in all respects the tariff may not be as we would like it, it is better to bear some imperfections than to enter upon revisions which might create disturbances in the business of the country.

In 1901 he brought out an important point, namely, that making changes in one item of the tariff means making changes in many others.

Now, I pass, Mr. Speaker, over certain intervening years as regards the administration of the Laurier-Fielding tariff and come down to 1906. That was the year before Mr. Fielding brought in his great scientific tariff, a tariff which has undoubtedly stood the test of time, a tariff under which industries prospered in every way. Before he brought down this important change in the tariff in 1906 he made a statement in the House which let every business know that although there was to be a revision of the tariff, industry and business need have no fear as to what would happen. This is what he said:

> We hope during the recess, if this session does not extend to too great a length, to take up that work—

He was referring to tariff revision.

> —and at the November session, unless there should be delays in the present session to cause a change in the programme, we hope to bring forward a revised tariff, not one which will make any great changes perhaps, but one which will meet such new conditions as have arisen and we hope we shall have the same measure of success that we have had in the past in devising a tariff which will meet the requirements of all interests in the country and that we shall have again a period of tariff stability under which the industries of Canada will go on and prosper as they have done in the past nine years.

That was the year 1906. Now as you are aware, in 1911 the Liberal party went out of power and did not come into power again until December, 1921. As was to be expected, and as was hoped for by all the electorate

of Canada, Mr. Fielding was again Minister of Finance. When he returned to office the tariff he found in effect was his own tariff, the tariff of 1907. As everybody knows, he was privileged to make two budget speeches only, in May 1922 and in May 1923. In those budgets he made certain small alterations in the tariff, changes made in his cautious way, mostly of 2½ per cent, and one or two of 5 per cent, but not very many. As a matter of fact, he was criticized by the opposition that year, I think by my hon. friend from West York (Sir Henry Drayton) who called these changes piffling and microscopic, and Mr. Fielding's reply to that criticism was in these words, and I commend them to hon. gentlemen in view of the changes that have been made in the tariff this year amounting to much more than 2½ and 5 per cent:

When he goes to the manufacturing districts, he will not find that these are viewed as mild as piffling reductions. They are reductions which account for a great deal. Two and a half per cent of an item in a manufacturing industry is often regarded as a very serious injury, and I know to-day there are many interests in Canada which are alarmed at the reductions that are made.

After that came the last budget speech which this great statesman made in the House of Commons in 1923, and in that budget again there were comparatively few changes in the tariff. Indeed, hon. members will remember that in his speech of last year the question of tariff stability was particularly emphasized. Many members. I think I am right in saying, thought that that was a new idea to be put into Mr. Fielding's tariff speeches, but as a matter of fact, it was an old idea and a good idea that had occurred to him, not once, but time and time again in the seventeen budget speeches which he had made. In that budget speech of May, 1923, he said:

There is a thought which does not receive as much consideration as I think sometimes should be given in the public discussions, and that is the desirability of something like tariff stability. Business men do not like to be always threatened with changes in the tariff.

Later on in the same speech he said:

The tariff as it will be, when the changes proposed to-day come into effect, will be a moderate tariff and probably as low as the country can afford to have under present conditions.

Further on he stresses the question of tariff stability:

Business men should be able to carry on their various enterprises without the fear of being soon disturbed by further changes.

Now Sir, as I said a moment ago there were two inherent principles in Mr. Fielding's tariff administration: The first was the desirability of tariff stability, of which I have spoken and in regard to which I have given certain instances, and the second was the measure of incidental protection which was always a part of that particular policy. Mr. Fielding in 1897, at the beginning of his career as Minister of Finance, said:

It is a tariff policy based on the necessities of our revenue, a revenue tariff which incidentally affords a very considerable degree of encouragement to those engaged in Canadian industries and having as its leading principle the principle of the British preferential tariff.

Later on he spoke at great length on the same subject as regards incidental protection. In the year 1904, if I remember rightly, a resolution was brought forward by the Conservatives stating that the country should have adequate protection. Mr. Fielding in reply to that stated he thought the Laurier-Fielding tariff did afford sufficient protection at the time and had incidental protection in it, and he went on to say:

I think, Sir, as to whether or not it is adequate protection we have some evidence of a gratifying character that when the tariff without being excessive is high enough to bring some American industries across the line, and a tariff which is able to bring these industries into Canada looks very much like a tariff that affords adequate protection.

Then he goes on to speak of the great industries in the city of Hamilton and the city of Toronto, and I think in that speech also he referred to the great industries in the city of Sydney. I have always held Mr. Speaker, that the Fielding tariff had incidental protection in it, sufficient protection to enable our industries to go on in a stable manner, sufficient protection to prevent those industries being swamped by American industries. Hon. members can well remember the anti-dumping provisions which Mr. Fielding himself put forward; they can also remember the duty which he imposed in 1903 on steel rails coming into the country, and the minimum tariff of 30 per cent which he placed on the woollen industry in 1904 when that industry was in a very depressed state. But in all this, and in all that I have said, Mr. Speaker, the two points which I desire to stress and emphasize in this House to-day are that the Laurier-Fielding tariff was a tariff of stability and of incidental protection. And Sir Wilfrid Laurier approved of that tariff time and time again. For example, in 1904 Sir Wilfrid Laurier said:

We have a tariff against the United States varying from 25 per cent to 35 per cent, an average of 28 per cent. Under that tariff manufacturers ought to thrive. I am told, however, that they do not thrive and that we ought to increase the tariff. For my part I am always prepared to consider the case of an industry which being in existence finds itself pressed by foreign competition.

Later on in the same speech, regarding goods coming in from the United States, he said:

> But there is one class of goods which come from the United States which have come in in a manner which we regard as undue and to which we want to put a stop. That is the class of goods that have come in by dumping and slaughtering and by making Canada a dumping ground and a slaughter market. We have taken means to prevent this.

Later on he spoke with reference to present methods of manufacturing, and he ended his speech with these words:

> We have in this country as in other countries, and indeed in all countries, manufactures carried on under a customs tariff whereby a fictitious atmosphere has created artificial conditions under which manufacturers are carrying on their operations. They have a right to expect therefore that the condition of things under which they have built up their manufacturers shall be maintained. This policy which we have adopted we believe will commend itself to the fair judgment of Canadian people the more it is debated.

Now, Sir, I have emphasized to some considerable extent what my conception was of the Laurier-Fielding tariff. I have no desire, Mr. Speaker, to disguise my feelings on the question of tariffs. I believe that a moderate tariff—

Mr. MACKENZIE KING: May I interrupt my hon. friend a moment before he leaves his reference to Mr. Fielding? May I ask him if his remarks are intended to imply that the Minister of Finance (Mr. Fielding) is not heartily behind the Acting Minister of Finance (Mr. Robb) in the budget which he has brought down?

Mr. MARLER: It is utterly impossible to make any such implication in any way. I am simply stating that I do not think the changes in the tariff that have been introduced are in line with the past traditions of the Laurier-Fielding tariff.

Mr. MACKENZIE KING: It is only fair to the Minister of Finance, seeing that he is not here to speak for himself, to say to my hon. friend that he is as wholly and heartily in sympathy with the Acting Minister of Finance in the budget he has brought down, as is every one of his colleagues in the cabinet.

Mr. MARLER: I certainly accept the assurance of the right hon. Prime Minister without the slightest hesitation. There was no implication on my part whatever of any kind or description in that respect. I was merely drawing my own conclusion, which I had a perfect right to draw, in regard to the past administration of the Laurier-Fielding tariff as it appealed to me. The Prime Minister has made a declaration, and whether I am gratified to hear him make it or not does not matter in the very least degree, but naturally I unreservedly accept it, coming as it does from the Prime Minister.

As regards the question of tariff, I have not any particular delusions. Perhaps if we were to have perpetual peace and no tariffs raised against us, we might then be able to have the ideal conditions which possibly the hon. member for Brome (Mr. McMaster) desires that some day we shall have. But we have not ideal conditions in this country, and we have to deal with conditions as we find them I am quite ready to admit, even under certain circumstances that we might be able to buy goods cheaper abroad, but notwithstanding that fact, it seems to me that that is only a temporary condition and is not necessarily a condition that will last. Both Sir Wilfrid Laurier and the Right Hon. W. S. Fielding saw the effect of the temporary advantages which might be gained in buying goods cheaper abroad. Sir Wilfrid Laurier in 1904 said:

> But whilst it may be a benefit to the individual Canadian consumer it is to the detriment of our community as a whole, because it throws a number of our people out of employment and causes the destruction of large amounts of capital invested in these industries.

And as late as 1920 Mr. Fielding speaking on the same question said:

> We came to the conclusion that if big manufacturing concerns, in the United States had come here and closed up Canadian manufacturing interests, it was right that there should be a special duty made to meet that condition. It was considered by some as a piece of freak legislation, but I am glad to know it has been copied in other countries, and that the present government have paid us the compliment of continuing it on the statute book.

Of course the theory will be presented that if we have lower tariff, or no tariff, the workman or artisan might be able to buy his clothing and food cheaper. That to some extent is true. But what use is it for the workman or the artisan to be able to buy his clothes cheaper, unless he has work to do and money wherewith to buy that particular clothing? As a matter of fact, is it not better for the workman or the artisan to have six days a week steady work with good pay, and pay a few cents more for his boots and shoes and clothing, than to have perhaps three days' work per week and receive poor wages? We are very apt, I think, in this country, Mr. Speaker, to look too much for our examples to England or to the United States. We say that England has been successful as a free trade country, and we say that the United States has been successful as a high protectionist country. What is successful in England or what

is successful in the United States does not necessarily apply to us here in Canada. I would like to see in Canada a tariff that will bring forward our manufacturers, and one that will provide the workmen with work, and make us a country dependent on ourselves and not dependent on others.

Mr. MARTELL: Does the hon. gentleman think it is in the interests of the labouring man, the consumer, and the farmer, say in Nova Scotia, to have boot and shoe factories built up many miles away, with heavy freight charges, in order to make this country progressive? Or is it not rather in their interests to have a lower tariff with the United States?

Mr. MARLER: That is a different point entirely. If the hon. member wants to throw the bars down to the United States, I disagree with him. However, others will expatiate upon the advantages derived from the British preferential tariff. That tariff was inaugurated at a time when conditions were different, but since that time conditions have completely and absolutely changed. At that time we had not the depreciated currency to deal with, or the great spread in price between Continental labour and Canadian labour, and in my opinion, with regard to the preferential tariff, it is about time we came to our cool senses, and understood all the injury that that tariff was doing to industries in this country. The sooner we come to that conclusion, the more respect traders from Great Britain will have for us. But I do not belong to the type of protectionist who desires to protect inefficiently. I do not want the type of protection which will mean undue profits to the manufacturer. I simply ask for the type of protection that will enable us to give work to the workmen. If it is necessary in order to protect our markets that we should have a tariff higher than that, then I say that any undue profits made by the manufacturer should be returned to the people. All that I ever have asked, and all that I ask now is that a fair and reasonable cost of living tariff be maintained.

Hon. members from the West, of course, will say that I am not sympathetic with their needs. I do not think that that accusation is fair or well-founded. I am not unsympathetic with regard to what the West needs. No one has a greater admiration for what the people of the West have done, and no one desires to see the West progress and surmount their difficulties more than I do, but I would like to see lasting benefits provided for the West. What advantage can it be for the West if our industries in the East are curtailed, or if our industries in the East happen to go out of existence? I say, "happen" to go out of existence, and I think I say so advisedly, because I have heard time and again from that section of the House that the tariff should be consistently reduced. Hon. gentlemen from the West are frank on that subject, and I admire them for their frankness and I congratulate them on the success they have attained in this matter. But when we in the East are told that this is the deathknell of protection, and hon. members from the West tell us, through their leader, that protection is to be reduced until it reaches the vanishing point, what are we to expect? The hon. gentleman from Brandon (Mr. Forke) said in this House:

> I do not think that members on this side of the House are so much excited over farm implements. What they are interested in is the duties on the necessities of life.

Meaning by that, as we all know, that the duties should be taken off a great many articles, practically prohibiting their production in Canada. In addition to that the hon. member stated as regards the Hudson Bay railway—I may be digressing a little, but it will come into my remarks later on:

> I want the government and hon. members of this House to understand that not for one moment can this subject be downed, because the West is determined to have the Hudson Bay railway built and it will be built, I believe, in the not far distant future.

Then their chief whip, the hon. member for Last Mountain (Mr. Johnston) again stressed the fact:

> Now that the government has taken this step let them not stand still but press forward until the protective element in our tariff is completely eliminated.

I respect hon. gentlemen for these opinions. There is no bitterness in my remarks because they have their opinions on these subjects; but when we in the East hear from all sides of the House that protection is to be eliminated, naturally we have considerable fears as to our industries surviving. And as regards the remission of $750,000 this year, as spoken of by the Minister of the Interior (Mr. Stewart), surely that amount and much more than that amount is not going to help the position in the West very materially. It has always seemed to me that the difficulties in the West are not entirely due to questions of tariff. I frankly admit that I have always been anxious and ready, with any influence or courage I may have, with any ability I may have to work, to sit down with any body of men and find out what really are the difficulties of the West and try to surmount those difficulties. But surely the tariff is not the greatest difficulty. When

the West was prosperous—and the West has had its prosperous times—we in the East heard very little about the question of the tariff. But with adversity, naturally these matters arose. With adversity, due practically to over-expansion owing to war conditions, due, perhaps, to world-embracing difficulties which it is impossible to overcome at the moment, did not the West, through their political leaders, set up on an altar the god of a low tariff, or no tariff, and did they not fall down and worship that idol? Are the greatest difficulties, after all, due to the tariff? Are there not other matters which we in the East can assist the West in, as we are always anxious and willing to assist the West to the fullest extent of our ability? Are the questions of freight rates, rural credits, not questions of great necessity to the West?

Mr. DUFF: Branch lines in the West.

Mr. MARLER: Yes.

Mr. GOULD: As regards the remission of $750,000 which the hon. gentleman refers to, I think he would grant that the Acting Minister of Finance has taken into consideration the fact that the purchasing power of the farm has gone and that, as a result of that, the amount this year will be low.

Mr. MARLER: I did not take that into consideration, but I am quite ready to take into consideration everything as regards assisting the West. That is what I have been trying to say for the last few minutes. But as regards the question of freight rates alone, are conditions going to be more advantageous if our industries in the East are curtailed? Railways have to live; in this country they have to live very largely by east-bound and west-bound traffic. East-bound traffic alone will not suffice, there has to be west-bound traffic also. As regards taxes, will the taxes be more easy to collect? Will they be more easy to levy? Will a larger amount be realized in taxes if our industries in the East are curtailed? As regards rural credits, will it be easier for us in the East, in the event of our businesses not prospering to subscribe money for rural credits, as no doubt we are very willing to do? No, I have said in this House time and time again and I repeat it to-day, that we in the East are ready to co-operate with the West in every particular; but we ask, and I think we ask with reason and fairness, that our industries be allowed to live and that our workmen be given work to do.

[Mr. Marler.]

I come to the part of these remarks which is, perhaps, the most difficult for me to carry out, and I would ask hon. members to bear with me a little while longer. I trust they will forgive me if I infuse into the remarks which I am about to make too personal a tone. I wish to tell hon. members under what conditions I came to this House and the direct reasons I have for taking the course of action which I propose to take to-day. When I was asked to be a candidate in the division of St. Lawrence-St. George Montreal which I now represent in this House I do not think there were many in the Liberal party who did not look upon the winning of that division as a fairly difficult task. It was not the division, I am free to admit, that I would have chosen in a first attempt to enter parliament. As a matter of fact, as all knew, a fight of that description could not be taken up without great consideration. I came to the decision to make the fight. In that decision I was very largely influenced by this factor, that if I was to enter parliament at all, the best way was by having the confidence of people amongst whom I had lived and who had known me and my family for many years; indeed, as regards my family, for generations, and if I had not their confidence, the best thing to do was not to attempt to go into parliament at all. It was under those conditions that I agreed to allow my name to go before the convention for the choosing of a candidate. But before entering into that situation I took the advice of certain leaders of the Liberal party and I placed before them the identical conditions on which I thought I would support and the conditions which I was prepared to uphold if elected a member of the House of Commons, and if I obtained their approval to those particular conditions. Subsequently, at the convention which was called for the purpose of nominating a candidate, I read to that convention, word and letter, those particular, self-same promises to which I have alluded. Subsequently, during the course of the campaign, I again persisted in the same policies, and as all hon. gentlemen know, I was elected to this House by a substantial majority. That is the story of how I came to this House. Since then I have advocated persistently those particular policies. I believe those policies are still approved by my electors and I have seen no particular reason to change my views. As a matter of fact they are precisely the same policies as others advanced in the city of Montreal. As a consequence of what I have told you, Mr. Speaker, I intend

to stand by the promises I made my electors and to accept the consequences of the action which I intend to take to-day. In my humble opinion, while it is quite right that members of parliament should be given the utmost latitude in their decisions, nevertheless I hold, and will always hold, that where definite promises are made by a man to his electors, and where he believes, and in fact knows, that the policies which he has advocated in the past are still approved, he has no right to go back on those promises. To do so is merely to deceive the people whom he represents; and to that deception I will not be a party.

But in addition to that, Sir, let me address one word to hon. members on this side of the House; and I can assure them that the task which I am discharging at the present time is no light or easy one. Let me tell my hon. friends that there is no bitterness in the attitude I take towards any member of the government or any other hon. gentleman on this side. I have always considered it a doctrine of the Liberal party, clearly one of its fundamental tenets, that those who call themselves Liberals shall be entitled to act and think as their consciences may dictate. Liberals have never been bound, anywhere in the wide world, by hard and fast or immutable rules. Individually they have always followed those policies which they considered best in the interests of the countries which they have respectively been privileged to serve. Because, therefore, I see fit on this occasion to disagree with certain tariff policies of the government, I do not think that any gentleman in this House should deny me the right to that freedom of action because that is precisely what Liberalism has taught me to expect.

I do not propose for a moment to take up the time of the House in dealing with all those policies which I brought forward at the time of my election. However, if I may detain the House a few minutes longer, I want to lay particular stress on the question of the tariff as I advocated it then. I stated that my views on the tariff were that the tariff should be framed with the idea of the maintenance of established, legitimate industries, the encouragement of new industries, and the promotion of trade with other countries, and that no measure should at any time be so arbitrarily adopted as to occasion uncertainty in business and effect radical changes without reasonable notice or discussion. I still hold that the declaration I made at that time I was warranted in making, and was in accordance with the Laurier-Fielding tariff as I understood it then and as I still understand it. Besides, that declaration which I then made regarding the tariff, and which I have repeated to hon. members of the House, is a declaration which was approved by the leading Liberals in the province of Quebec in the election of 1921. Of course, I know perfectly well that I lay myself open to an accusation, and I seek that accusation so that there shall be no misunderstanding as to the attitude I am taking. Hon. members will ask, why did I not accept the 1919 platform? The accusation implied in that question is a fair one for any hon. gentleman to make in this House. Well, I did not run on the 1919 platform for the reason that I never have accepted that platform so far as it relates to the tariff; it does not accord with my views. I always considered that that platform had been prepared at a time before there was, more or less, a line drawn between what I understood to be the Liberal party—certainly the Liberal party in the province of Quebec—and what subsequently became the Progressive party. I am not questioning the wisdom of any hon. member in following the 1919 platform; all I can say is that I never accepted it and do not accept its tariff proposals to-day. There are in that platform certain clauses which I think it is not unfair for me to repeat to the House to-day. Two of these clauses are the following:

> That, to these ends, wheat, wheat flour and all products of wheat; the principal articles of food; farm implements and machinery; farm tractors, mining, flour and saw-mill machinery and repair parts thereof; rough and partly dressed lumber; gasoline, illuminating, lubricating and fuel oils; nets, net-twines and fishermen's equipments; cement and fertilizers, should be free from customs duties, as well as the raw material entering into the same.
>
> That a revision downwards of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption (other than luxuries), as well as on the raw material entering into the manufacture of the same.
>
> That the British preference be increased to 50 per cent of the general tariff.

Another accusation might be brought against me in this House, namely, that the Prime Minister said he did accept that platform. He did say that he accepted it, but he very properly explained—and I am not throwing this back at the Prime Minister in any way—that he accepted it as a guide to follow. He very clearly gave me to understand that. I hasten to amend that language: he did not personally give me clearly to believe, but he gave us generally to believe, that that tariff declaration in that platform was a guide to follow. Now, sir, I have not the slightest intention of being impertinent; but this is a

matter of vital importance to many industries in the East and I think we should know from the government whether or not it is their intention to fulfil these articles in the 1919 platform. Let the government not misunderstand my questioning in that respect; I ask in all respect for information; and I merely say that if these articles in that platform are to be fulfilled, then it will be exceedingly difficult for certain industries in the East to survive. I was fully justified in taking the position I took in the election of 1921 owing to the utterances of other Liberal leaders in the province of Quebec. Mr. Taschereau, the Premier of Quebec, speaking on October 22, 1921, used these words:

> Is it a time, when our industries are going through a crisis such as this generation has never known before—when our neighbours and even the Mother Country are having recourse to protection against our products, when the mark is only worth a half penny here and the European exchange is exceptionally favourable to us, when we ought to throw down all barriers and invite all foreign competition?
>
> My Liberalism calls for a tariff which protects the consumer indeed but also our industries. These results are by no means incompatible but may well be obtained by a tariff for revenue—such as was proposed by Sir Wilfrid Laurier.

And later on he said:

> May I say further on this subject that we ought to act with extreme prudence. It may be that for many years to come the tariffs of foreign countries will close their markets to our products both manufactured and agricultural. We must then become in a far larger measure the consumers of our own goods. Now, the agricultural interests cannot prosper, cannot survive, without great centres to receive and distribute their products. Our towns on the other hand cannot increase and support their work people unless the rural folks buy their manufactured goods.

And on the 6th December last at Montreal Mr. Taschereau said:

> First, we want a tariff permitting the East to live and the great manufacturing centre of Montreal to prosper and expand. It is true that Quebec is an agricultural province, but our agriculture and our colonization cannot progress unless we have centres like Montreal. We need such a tariff, it is absolutely essential.

Now, Sir, I claim that the attitude I took in the 1921 election was clearly and distinctly taken on a solid foundation. I had the consent of Liberal leaders of repute to take my position with regard to the tariff policy. That policy was what I conceived it to be then, and what I still conceive it to be—the Laurier-Fielding tariff policy. In addition, my action was confirmed by the utterances of my leaders in the province of Quebec. I am pretty well convinced that if the 1919 platform as regards its tariff clauses is to be carried out, the concessions granted this year are only a start in the direction of very considerably lower tariffs.

[Mr. Marler.]

Mr. MARTELL: That is what we hope.

Mr. MARLER: My hon. friend says, "That is what we hope." Later on there will be still further tariff concessions, perhaps the entire elimination of many duties. Ultimately will come a peremptory demand from the Progressive party for the completion of the Hudson Bay railway.

Some hon. MEMBERS: Hear, hear.

Mr. MARLER: Some hon. members say "hear, hear" to that statement. Now, Sir, I feel I must take my stand in this respect. If other members on this side of the House view the future with equanimity, I certainly do not. And if they are not prepared now to take a stand for what I firmly, honestly and sincerely believe to be the policies of the old Liberal party—not those of the Liberal-Progressive party—they are only putting off the stand which they will have to take in the very near future. I intend to take my stand now.

Consequently for the various reasons which I have given in the course of these remarks, Mr. Speaker, I regret to state that I shall vote against this resolution.

Mr. ANDREW McMASTER (Brome): Mr. Speaker, the observations which I have to address to the House to-day fall roughly under three heads: First, a consideration of the financial condition of the country; secondly, a discussion of the complaints of our protectionists; and, thirdly, an indication, by way of respectful suggestion, of the road on which the government should continue to travel.

I would wish at the outset to associate myself most heartily with the very gracious compliments paid by the hon. member for St. Lawrence-St. George (Mr. Marler) to the Acting Minister of Finance (Mr. Robb). I think it is of the utmost importance that we should have a clear understanding of just how the country stands as regards its finances. The Acting Minister of Finance has done what, I think, almost anyone who assumed the functions of a finance minister would have had to do in the treatment of our national debt. The minister who had already upon him the heavy obligations and responsibilities of the Department of Immigration could hardly be expected to recast the method in which the country's books are kept. But I am of the opinion that that method is undesirable. I am of the opinion that it fails accurately to set forth in an easily understandable form the real situation. I am not hostilely critical to the Acting Minister of Finance. Indeed, I think

the observation made a few days ago by one of the members from Toronto, in which he accused the Acting Minister of Finance of misleading the people, was particularly ungenerous in view of the fact that the Acting Minister had followed the procedure in regard to loans of the Canadian National Railways which had been inaugurated by the former Minister of Finance, the member for West York (Sir Henry Drayton). But I do cherish the opinion that the obligations of the National Railways cannot be treated other than as the direct obligations of the Canadian people.

Sir HENRY DRAYTON: Does the hon. gentleman think that a refunding operation ought to be looked upon as an increase in capital?

Mr. McMASTER: No, certainly not.

Sir HENRY DRAYTON: Then just another question. Does he also think that if in a given year refunding operations were far in advance of bond issues, the bond issues should be looked upon as an increase of the capital debt? That is all we ever did.

Mr. McMASTER: I would say that if a refunding operation is merely borrowing, say, $100,000 to pay off $100,000, of course there is no increase in the capital debt; but that if you borrow $150,000 to pay off $125,000 you increase the capital debt by $25,000.

Sir HENRY DRAYTON: If that was the result of the year's operations.

Mr. McMASTER: Yes. I do not think there is any difference of opinion.

Sir HENRY DRAYTON: It never was.

Mr. McMASTER: But I think it is inadvisable to treat the obligations of the National Railways in any other fashion than as direct obligations of the Canadian people. The National Railways belong to us in precisely the same way as the old Intercolonial railway belonged to us; there is no question about that. Now, if we admit this principle, how must we regard the situation? It seems to me that we must regard it as being one in which we have not, as a matter of fact, saved and wiped off our debt to the extent of $30,000,000 odd. We have not done it. We have done it in accordance with the bookkeeping practice which has been carried on. I do not blame the Acting Minister of Finance for the practice, but I do think we had better mend our keeping of the national books.

Now, I would ask members who are interested in this matter, and after all it has an interest for all of us, to look up the Year Book—that excellent publication got out by the Dominion Bureau of Statistics—for the year 1924. At page 762 they will find that our gross debt as at the 31st March 1923 amounted to $2,888,827,237 and that our net debt amounts to $2,453,777,869. He will find that the difference between the gross and the net debt is arrived at by deducting from the gross debt such assets as cash on hand and in banks, specie reserve, advances to provinces, banks, and so forth, advances to imperial and foreign governments, soldier land settlement loans, and miscellaneous current accounts. In establishing this net debt of, in round figures, 2½ billion dollars, the amounts spent on public works, whether by way of canals, railway, or public buildings and the amounts advanced to the railways and to the Canadian Government Merchant Marine, have not been taken into account. They are regarded as inactive assets, but they are not taken in as assets which should reduce the liability, the gross debt of the country.

Now, it is of extreme importance that we should have the position put before us as it actually exists, because once you declare a surplus you open the way for demands for increased expenditure, and one of the matters on which I am in complete accord with the member who has just taken his seat (Mr. Marler) is in his demand for rigorous economy. Now, how should we treat this? Last year we borrowed for railway account 22½ millions of dollars by way of a serial equipment loan, and we borrowed in addition $50,000,000. Well now, that should be added to the debt, but to leave that without explanation would not be fair, because if the money has been properly expended there should be, and we take it for the purposes of the argument that there are, assets by way of betterments, by way of improvements, by way of additional equipment, which should at least offset the $72,500,000 to the extent of which the country's credit has been pledged during the current year. My proposal is that year by year when the Finance Minister makes his statement he should combine the railways and the ordinary consolidated and capital accounts of the country. Now, that is not a new idea. The present situation is open to abuse or to misconception, due, I think, to the fact that the late government refused to follow some very wholesome advice tendered to them in the session of 1919 by the then member for Shelburne and Queen's (Mr. Fielding), seconded by my humble self, in which we urged very strongly upon the government that all the earnings of the National Railways

should go into consolidated account and should be only paid out of consolidated account in the same manner as any other government expenditures are paid out. If that had been followed I think we would have had a juster system of bookkeeping, a system which would have exposed the real financial situation of the country; we would have had a greater control of expenditure by the railroad, and we would not have such an unfortunate adventure as the buying of the Hotel Scribe in Paris, for which the government is not, except most indirectly, responsible, because as I understand it the matter was arranged by the management without reference to the government at all.

Mr. CRERAR: May I ask my hon. friend if he now advocates that change with respect to the administration of the National Railways?

Mr. McMASTER: I do. It is preposterous nonsense to think that we can in this House get away from our responsibilities as trustees for the Canadian people, not only for the wharves which the Canadian people own, not only for these parliament buildings which the Canadian people own, but for the railways that the Canadian people own. I do not want to see the management limited in matters of pure administration, but I do say that we cannot get away from the responsibilities which we possess as members of this House and as representatives of the people. It is idle to talk about taking the railways out of politics in that sense. We must develop in this country a feeling of responsibility among the members of the House and among the people generally, a realization that the National Railways have to be run in the same businesslike fashion as the Canadian Pacific Railway is run.

Mr. MACLEAN (York): Would my hon. friend explain whether this reform which he proposed would allow the establishing of a fixed amount on which the National Railways should not only earn maintenance expenses but also discharge the debt or at least meet the interest upon it?

Mr. McMASTER: I remember hearing the leader of the opposition (Mr. Meighen) state some years ago that he had such faith in our National system of railways that he believed in the long run they would be able to earn interest upon and, if I mistake not, ultimately discharge, all the advances that had been made to them, and earn interest on their capitalization. I am not at all sure that that desirable objective will ever be reached, but I am inclined to the belief that it may be better bookkeeping for us to write down the railways to more nearly their real value and to transfer the amount written down from the railway account to the national debt account. It is purely a matter of bookkeeping.

Mr. MARTELL: Would we still have to pay the interest?

Mr. McMASTER: Yes, of course we would still have to pay the interest.

Mr. MARTELL: Then why not leave it where it is?

Mr. McMASTER: I am going to explain briefly the method adopted in New Zealand and Australia, which, I think, is an improvement upon our present procedure, which differentiates when there is really no difference.

Sir HENRY DRAYTON: Has the hon. member looked into the matter of the extent to which that has already been done, that is, the writing off of these assets and their transference to suspense account? I think when I left office that approximately $400,000,000 had been written off.

Mr. McMASTER: I cannot answer my hon. friend, but I noticed in the balance sheet of our national debt that a great deal was carried in what was called inactive assets.

Sir HENRY DRAYTON: That is where they were written to.

Mr. McMASTER: And I presume that a very considerable amount of the advances made to the railways has been treated in this fashion.

Sir HENRY DRAYTON: Your suggestion has been acted upon to that extent.

Mr. McMASTER: Yes, to that extent there is no difference of opinion between us. In the New Zealand Official Year Book for the year 1923 I find on page 473 that in their statement of gross indebtedness they follow this system: First all the obligations of the state, whether in connection with railways or other public activities, are all shown. What they do, however, is to classify the indebtedness under different headings. Debts incurred in respect of railways, telegraphs and telephones, water power development and electric supply, swamp drainage, and so on, are declared to be "directly productive." "Investment" is the heading given to such items as advances to settlers, advances to workers, advances to local authorities, mining advances, cold storage advances, land for settlement, discharged soldier settlement and lands for native land settlement, fishing in-

dustry promotion, housing and employees' dwellings. Then they have still another heading which they call "indirectly productive," and under this heading are found: Loans made in connection with roads and bridges, irrigation and water supply, development of mining, immigration, and so on. "Unproductive" is the heading given to loans connected with public buildings, scenery preservation, Maori war defence, Great European war. Strangely enough, education figures under this head. Of course, it may be that those expenses of education were for the building of school houses, which do not give a direct return, and therefore are only indirectly productive. But the point I wish to make is that the whole obligation of the state is seen at a glance, that on one sheet of paper one can see exactly what the people of New Zealand are responsible for, and I think it would be well if we adopted the same method.

In Australia very much the same system is followed. In the Year Book of the Commonwealth of Australia for 1923, on page 372, I note that in a statement of their Commonwealth consolidated revenue they divide their revenue under three heads: Taxation, under which heading are found the receipts from customs, excise, land taxes, state duty, income tax, and so on; public works and services, under which heading they place postal, railways, Commonwealth steamers, and so forth, and "Other revenue, which includes such items as interest, discounts, coinage patents, and the net profit on the Australian note issue, which is of some interest to those in this country who think that perhaps the state might get something out of the issuing of notes.

Sir HENRY DRAYTON: What did that amount to?

Mr. McMASTER: I was just going to give that. For the year 1921-22 it amounted to £1,261,482 sterling, not a very substantial amount, but still not inconsiderable.

The railways in Australia are state assets rather than federal ones, and therefore we find on page 414 of their Year Book a statement as concerns the different states of the amount expended on railways and tramways, which amounted in all these states in the year ending 30th June, 1922, to some £10,976,421 sterling. The point I wish to make is that I think it would be wise for us to so change our bookkeeping that whenever we raise public money by loan for whatever purpose, the transaction should be found in our public accounts in a readily accessible form.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 14, to incorporate the Roman Catholic Episcopal Corporation of Prince Rupert.—Mr. Stork.

THE BUDGET

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

Mr. McMASTER: If any argument was needed, Mr. Speaker, to show the utter failure to bring about its declared objective, the attitude adopted by protectionist advocates in this House, certainly shows the absolute failure of the protectionist system to bring about the benefits which its advocates some fifty years ago said would be brought about. Apparently the great theme of the protectionist advocates in this House is a declaration of Canadian incapacity. "We are not able", they say in one breath, "to compete against the low-paid labour of Europe; we are unable to compete against the depreciated currency of Europe". In the next breath they say, "We are unable to compete against the highly-paid and highly-skilled labour of the United States". I think I am on common ground with all the students of the economic history of the country when I say that when fifty years ago or thereabouts, Sir John A. Macdonald, the Hon. C. C. Colby and other leading Conservative statesmen of that day asked the Canadian people to adopt the principle of protection as the guiding principle of our fiscal policy, they based their appeal on the infant industry argument. They appealed to the people of Canada, and their appeal, I must say, was a somewhat attractive one. They said, "Give our manufacturers a few years of state-aid by way of a tariff, help them to pass through this crisis, and in a very few years, perhaps a score of years, they will be able to stand on their own feet. We will obtain goods just as cheaply as ever, and we will have in addition manufactures established in our country". That was one argument presented to the people of Canada at that date. Another argument that was presented to those who lived in the Maritime provinces at that time was that the tariff was not going to be raised at all, and that it was merely to be a readjustment of the tariff. I take it that had the protagonists of protection in 1876, 1877 and 1878 told the people of Canada that fifty years later, when on many of the necessaries of life the schedule rates

were just as high as they were when first levied the protected manufacturers of this country would be asking for precisely the same rate of tariff protection, the Canadian people never would have given way to their appeals, never would have adopted the protective principle as the guiding principle of their fiscal policy and would not have rejected Alexander Mackenzie in 1878.

I wish to make a very few general observations on certain protectionist arguments that have been presented. I cannot traverse all these assertions. I said a moment ago "arguments", but I think that is rather too complimentary a term to use. I cannot traverse all the protectionist assertions, for the protectionist speeches as a rule have been extravagant in assertion but parsimonious in argument. Let me deal very briefly with two arguments which were adduced yesterday by the eloquent member for Fort William and Rainy River (Mr. Manion).

In brief, he had two arguments which a hasty perusal of his speech enables me, I trust, to answer. The first argument he brought forward was this: Appealing to the historian Macaulay, he said that very great progress had been made between 1685 or 1688, about the time of the great revolution in England of 1688, and 1845. Without doubt, he was perfectly correct in his historical statement based on the words of that well known historian; but then he went on to say: That shows that Great Britain had so far developed under a protectionist policy that it was able to march forward by the impetus given by protection and apparently was able to prosper under free trade by reason of the start that the industries had received under protection. Let me say this. Throughout the Middle Ages and right down to almost the middle of the nineteenth century, Great Britain, as well as all other countries in the civilized world, was protectionist. If anything, the protection in Great Britain was considerably less hampering to trade than the protection on the continent. For instance, before the French revolution and, I think, perhaps even thereafter, they had tariffs between different parts of France, and wheat and other grains could not move freely from one part of the Kingdom of France to another. They had—and they have had it until quite recently—a little protective tariff or rather a little tariff for revenue purposes around every town of any considerable size in France. They had protection on the continent; they had protection in Great Britain; but Great Britain started to get rid of protection, I think, earlier than any other country in Europe.

[Mr. McMaster.]

Walpole started the work, in 1750, or thereabouts, Adam Smith wrote his great work; he converted to his views the great minister, Pitt, who started taking off duties, and who would probably have had the tariff almost on a free trade basis had the revolutionary wars with France not intervened. During the whole of the revolutionary and Napoleonic wars from 1763 to 1815, there was no movement towards freer trade; but after the revolutionary and Napoleonic wars were over, Huskisson started in 1823 to take off duties. He was followed by Peel, so that in 1842 most of the duties on manufactured goods had been taken off. Then the duties on foodstuffs were removed from 1846 to 1849, and finally the work was completed in 1860 by William Ewart Gladstone. From then until 1903 free trade was accepted without question as the guiding principle of British policy.

What led the British people to get rid of duties on food? During the whole of the eighteenth century Great Britain produced about enough food for itself. As a matter of fact, in years of abundance they were able to ship food from England; but by reason of the invention of the steam engine, an invention for which British ingenuity is largely to be credited, and by the fact that there were in Great Britain coal and iron in close proximity, the industrial revolution, which was really unconnected with tariffs, brought about a development in the industrial life in Great Britain sooner than anywhere else in the world. The centre of population moved from the more southerly and easterly counties of England over towards the north and towards the west, and Lancashire and Yorkshire began to be hives of industry. That was in process before, during and immediately after the Napoleonic wars. Prior to the time of the revolutionary wars, Great Britain was about able to feed itself, but the development of manufacturing caused a great increase in population. That great increase in population ate up all the food that Great Britain was able to produce, and during the years from 1793 to 1815, while the war kept food from coming to Britain's shores from the continent of Europe, wheat went up to between two and three dollars a bushel. That had the result of raising the rent of land, and when Waterloo occurred and the Peace of Paris brought an end to almost a generation of warfare, the price of wheat fell from three dollars to two dollars a bushel. The landlords, who at that time controlled both the House of Commons and the House of Lords—the landed interest was the paramount interest in Great Britain at that time—were not pleased that the food

of the people was being cheapened, because that meant a reduction of their rents, and they combined with the farmers, who had a considerable amount of political power, to place upon the statute books the Corn Laws of 1815, which had the result of imposing starvation by law upon a large proportion of the British people when crops were scarce. The whole generation from 1815 to 1845 of what we call the labouring classes, the plain and common people who worked with their hands, protested against that:

> Bread taxed Weaver, canst thou see,
> What this tax has done for thee?
> See thy children vilely led,
> Singing hymns for shameful bread,
> While the stones of every street,
> Know their naked little feet.

That was the condition of Great Britain under protection. They hold out protection as having made Great Britain strong and powerful! Why, in the hungry forties, people were starving by reason of protection, and I have had an old Scotchwoman tell me that herself. Aye, and one man out of ten was in receipt of public relief. The people were working in the coal mines, young girls, young children, women working like beasts of burden to get the pittance with which they had to buy the high priced food of the time. No, it was not protection that made Great Britain great. What made Great Britain great was following a system of freedom, and that is what will make this country great—following a system of freedom and not a system of restriction.

Mr. Speaker, I do not pretend for an instant that free trade is a panacea for everything; that we would have a second heaven on earth in this country if we had free trade. It is only one of the reforms which we need in Canada. As Great Britain has been an outstanding example of the benefits of freedom of commerce, it is quite in line with the protectionist advocates to endeavour to destroy the value of the evidence of British economists, and the eloquent member for Fort William and Rainy River the other day endeavoured to lead us to believe that Mr. John Stuart Mill, the great economist, believed in the infant industry theory. That is not a new dodge on the part of the Conservative party. In 1876, Sir John A. Macdonald quoted these words from John Stuart Mill's Political Economy, the words which were quoted the other night by the hon. member for Fort William and Rainy River:

> The only case in which on mere principles of political economy protecting duties can be defensible is when they are imposed temporarily (especially in a young and rising nation),—

One would suppose, of course, that the imposition of duties for almost fifty years war a fair "temporary" trial.

> —in hope of naturalizing a foreign industry in itself perfectly suitable to the circumstances of the country. The superiority of one country over another in a branch of production often arises only from having begun it sooner. There may be no inherent advantage on one part, or disadvantage on the other, but only a present superiority of acquired skill and experience. A country which has this skill and experience yet to acquire may in other respects be better adapted to the production than those which were earlier in the field, and besides it is a just remark of Mr. Rae, that nothing has a greater tendency to promote improvements in any branch of production than its trial under a new set of conditions.

That reminds me of a striking instance of the superiority of Canadian over British production, which was cited to me some time ago by a Conservative member, himself a manufacturer. He said that during the war his factory began making shells. After having received from the government payment for the shells on the basis of what it cost in Great Britain to manufacture shells in the government arsenal, they made so much money that as a patriotic citizen he felt that he should reduce the price. Accordingly he cut the price in half and still they made money, so that he decided to reduce it to 25 per cent of the original price. And notwithstanding that reduction they were able to make a profit. True it is that in a new country it may be wise to try out old methods and improve upon them. This argument in regard to production is a two-edged sword: it is hardly right for people who have that capacity which I have just illustrated to play the part of those to whom state-aid is imperative. To continue:

> But it cannot be expected that individuals should at their own risk, or rather to their certain loss, introduce a new manufacture and bear the burthen of carrying it on until the producers have been educated up to the level of those with whom the processes are traditional. A protecting duty, continued for a reasonable time, will sometimes be the least inconvenient mode in which the nation can tax itself for the support of such an experiment. But the protection should be confined to cases in which there is good ground of assurance that the industry which it fosters will after a time be able to dispense with it—

That is a clause which must have escaped the attention of the hon. gentleman who quoted John Stuart Mill to the House.

> —nor should the domestic producers ever be allowed to expect that it will be continued to them beyond the time necessary for a fair trial of what they are capable of accomplishing.

If protectionists desire to take comfort from that statement they are of course perfectly at liberty to do so; but in considering it they should admit the fact that John Stuart Mill withdrew the statement. We have excellent evidence to substantiate that assertion.

Let me read it to you. I take this from a speech delivered by that great leader of his time, the Hon. Alexander Mackenzie, than whom a more faithful public servant and a more honest man never ornamented this House of Commons. He said:

But, sir, before proceeding to discuss some of the matters the right hon. gentleman referred to, let me call the attention of everyone for a moment to his remarks regarding John Stuart Mill. The hon. gentleman may not have made the statement that my hon. friend from Waterloo attributed to him, but he may find, if he recalled a certain circumstance, that he might have done so. He must surely remember that even John Stuart Mill wrote a letter to Mr. Greeley, of New York, withdrawing that passage from his book. He may remember the disappointment felt by the protectionists of the United States with reference to Mr. Mill's passages—how they distorted it, when Mr. Mill really withdrew it and expressed his regret that it had ever been put in. But in order to make doubly sure, I had the pleasure last summer of meeting with a well known English writer—whom the hon. gentleman no doubt knows—Mr. Newmarsh, an intimate friend of Mr. Mill; and I called his attention to this circumstance, sitting at the dinner table one day in London. He said: "Oh, yes; that is well known. We all expressed our exceeding regret to Mr. Mill that the passage should have been written, as it was liable to be misunderstood. He withdrew it, however, unmistakably and completely".

Now I would pass on to the speech delivered this afternoon by the hon. member for St. Lawrence-St. George. I am not at all sure whether the views expressed by him are an accurate reflection of the attitude of the Canadian manufacturers generally. I should regret the fact if they were. But if the attitude displayed by the hon. gentleman to-day be an accurate expression of the general sentiment of our manufacturers, what does it indicate? It simply means that they are not prepared in the public interest to give up one shred or one tittle of the special privileges which they now enjoy. There is not one group in this House, there is not one individual member of this assembly, that does not wish for the growth and prosperity of our Canadian manufacturers. But what we are anxious for is that this growth shall not be at the expense of other interests in the country. It was a French economist who said that there is no use arguing with a protectionist because protection is not a philosophy but an appetite, and it is futile arguing with people about their appetites. Sometimes when I reflect upon the history of those who have enjoyed special privileges of any sort I am inclined to agree with this French economist. But is it wise for the possessors of special privileges to hold on to them with too firm a grasp and to refuse to realize the rights and the desires of other people?

[Mr. McMaster.]

If you will pardon another historical allusion, you will remember that before the French revolution the clergy and the nobility had been able to discharge themselves of all responsibility for public burdens while they enjoyed great public privileges; and they held on to those privileges in spite of the warnings of the physiocrats, in spite of the appeals of the philosophers, and in spite of what their own consciences must have told them was right. They clung to those privileges until finally they saw them wiped out over night. I ask the House to compare with that what happened on the other side of the British channel, where there were also great privileges enjoyed by the few. The landed interest in Great Britain controlled both Houses; and in 1832 the rotten boroughs, practically pocket boroughs, the private property of the great landlords, were in many cases wiped out. Great Britain came almost to the verge of revolution, but that wholesome respect for and fear of their fellow citizens led the British landlords, the British nobility and the British privileged classes generally to give way. Again in 1868 when there was a great movement for the extension of the franchise there were people in Great Britain who were very much put out by the circumstance and desired to prevent the common man from receiving the right to vote; for at that time only about one man in six enjoyed the franchise. Again, however, in the face of great public agitation, and public meetings addressed by the leaders of the movement to the people assembled in thousands, the opponents of the popular movement yielded. It is wise sometimes to give way. I would recommend an attitude of conciliation, an attitude of endeavouring to appreciate the other fellow's position to the privileged interests of this country.

And now I think I can perhaps best take up the various matters connected with the tariff by following the very interesting speech delivered this afternoon by the member for St. Lawrence-St. George, because I take it that he is regarded in this country as the accredited representative of the big interests. Last year, almost twelve months ago, the hon. member followed me when I spoke in the budget debate; it is my turn now to follow him. On that occasion he made use of these words:

Let me turn to the hon. member for Brome who made a speech this evening, and stated he was absolutely against the principle and practice of protection. No doubt hon. members opposite agree with all he said. They have heard his remarks with reference to his defection. I do not intend, Mr. Speaker, to say

very much about the defection of the hon. member for Brome beyond stating it was very regrettable to me that he should have adopted such an attitude towards the party he has followed for so many years. What did the hon. member say? He said he was a Liberal and he was the only man who understood the Liberal doctrine. Well, why does the hon. member for Brome pose as the arbiter of the Liberal party? Can no other hon. members in this House understand what the Liberal doctrine or the Liberal policy is? Why did he say that he, and he alone, is the only man in the House that understands the Liberal doctrine?

The hon. member for Brome is advancing his own personal ideas and views instead of sinking those personal views as many of us have to do for the general good of the country.

Now, I do not propose to administer to the hon. member for St. Lawrence-St. George any reciprocal lecture. I learned at the feet of Sir Wilfrid Laurier that in politics there is no room for resentment On the contrary, I would congratulate the hon. gentleman on his sincerity and courage. If those are the views which he holds—and I believe them to be his sincere views—it is right that he should express them. In the world at present parliamentary representative institutions are on trial. In Italy we see one dictator holding sway; in Spain we see another; we have had rumours that some people in France think they should have a dictator there; and therefore it is for us, who are the inheritors, along with other British countries, of British parliamentary institutions and traditions. to see that those are kept intact and inviolate. One of the things which has destroyed parliamentary government in some countries, and has depreciated its prestige in others, has been the insincerity of public men. I believe that the people of Canada are sick and tired of men who advocate policies in which they do not believe, who advocate one thing at one time and another at another time. And after all the personality of the member for St. Lawrence-St. George and the personality of the member for Brome are nothing in comparison with the importance of the issues which are before the Canadian people today.

The hon. member for St. Lawrence-St. George spoke about agricultural implements. But before I deal with that part of his speech I think I should very briefly refer to something on which he had a good deal to say— the Laurier-Fielding tariff. I have been associated with the Liberal party for a good many years, but I never heard about a tariff called the Laurier-Fielding tariff until quite recently. The tariff which obtained in this country for a great many years was introduced by Mr. Fielding in 1897. It did not go as far in the direction of cutting down duties as I would have liked; but it did cut down some. It did introduce the British preference, first at 12½ per cent, in the following year at 25 per cent, and the year after that at 33⅓ per cent. But I take it that those who presented themselves as Liberal candidates in the election of 1921 were not obliged to go back in the far and distant past to find what the declared policy of the Liberal party was. I think that perhaps if they had looked back for the ten years previous to 1921 they could have obtained a just appreciation of what was expected of those who declared themselves to be Liberal candidates. The member whom I congratulate for the pleasant and courteous way in which he spoke this afternoon was insistent upon picking out here and there statements of a more or less protectionist nature from speeches delivered by the late Sir Wilfrid Laurier and by Mr. Fielding. But, strangely enough, he forgot to mention one of the greatest steps towards freedom of commerce which has ever been taken by a political party in this country; that was the attempt to give the people reciprocity in 1911. That episode was conspicuous by its absence from his speech. I think perhaps that here I should make a few brief references to the views of Sir Wilfrid Laurier in the last ten years of his life.

In 1911 the Liberal party went to the country on reciprocity. In 1912 I well remember Sir Wilfrid Laurier addressing a great meeting in Montreal and laying down his principles to the effect that he believed in reciprocity and that some day the Canadian people would regret that they had rejected it. From 1911 right up to 1917 the Liberal party, by resolution after resolution in the House of Commons, pledged itself to a reduction of the tariff. After 1917 I had something to do with the expression of Liberal views in this House, and on several occasions, with not the entire support but almost the entire support of the Liberal party of that day, I placed on Hansard resolutions—always voted down by the government of that day—in favour of lower tariffs. In the last few weeks of his life Sir Wilfrid Laurier made a great speech to the Eastern Ontario Liberal Association. What did he say on that occasion? I have quoted from his speech before, and I do not propose to repeat those quotations now, but here is something that I do not think I placed before the House when I spoke in the debate on the Address. After speaking of the British preferential policy—which now no longer merits the approval of the member for St. Lawrence-St. George—Sir Wilfrid Laurier said:

We said, "No; we are not going to bargain with the Mother Country upon matters of that kind."

We do it because we are British subjects, and because we believe in the principles of free trade. We believe also it is for the good of the Canadian people that we should adopt that policy, and by that policy we stand to-day also. In your resolution you affirm that the black eye which was given by the present government three years ago should be removed, and, Sir, if it is in our power to do so we shall do so; at all events we shall take the opportunity to bring the matter before parliament at the next session.

Sir Wilfrid Laurier was not in his later days a protectionist. He was a man who believed in reduction of tariffs; he was a real Liberal, and he believed that freedom of exchange was part of the Liberal doctrine, of the Liberal tradition. While we were in opposition, after 1917, we had statements from Mr. Fielding himself that protection was not the principle which should guide the fiscal affairs of this country. It is difficult to imagine how a man could present himself as a supporter of the Liberal party and take the stand that duties were not to come down at all. I realize the difficulty in which many members of this House find themselves in connection with the trade question and I realize that the matter has to be dealt with with prudence and with care. I have every sympathy for the man who has protected industries in his riding which are fearful of what may happen, and I am all for prudence, all for conciliation, all for care, in regard to the trade policy. But the direction must be established, and progress must be made in the right direction visible to the naked eye, as I have said on previous occasions.

The hon. member stated that he had some sort of dispensation from some one or other for an apparent disagreement with the main body of the Liberal party on the trade issue. He did not tell us who granted him that dispensation, and I do not care very much who granted it, because the Liberal party, as I understand it, is not a hierarchy that grants dispensations: we are supposed to hold true to the tradition of the fathers in its entirety. But the hon. gentleman did refer to a very respectable character in the province of Quebec, Mr. Alexandre Taschereau, as one who had made protectionist speeches. I have an admiration for the Hon. Alexandre Taschereau. I had the pleasure last October of going down into the county of Brome and of speaking to my friends there in support of one who was the candidate of the Liberal party in the Quebec House led by the Hon. Alexandre Taschereau. But so far as trade questions are concerned, as far as the fiscal policy of the country is concerned, I decline to admit for an instant that any provincial premier has the right to speak for the Liberal party or for any other party in the federal arena. The dispensation, if obtained from the Hon. Alexandre Taschereau, was not worth the paper it was written on.

Let me now take up the question of agricultural implements. The hon. member gave a good deal of time to the consideration of agricultural implements. He said that reductions ranged all the way from 4 to 12½ per cent and he gave the House to understand, if he did not say so in so many words, that it would be impossible to carry on agricultural implement manufacturing in Canada without the help of a protective tariff. That is the statement made by the hon. member for St. Lawrence-St. George, but unfortunately it does not agree with the evidence given before the Drayton Tariff Commission in 1920. I would like to read to the House some evidence given by the then president of the Massey-Harris Company, Mr. Thomas Findley, who, perhaps, may be taken as a better guide as to the feelings and views of the implement manufacturers than the member for St. Lawrence-St. George. He said:

So far as the Massey-Harris Company is concerned, even to-day, placing no other consideration in the scales but that of money making, we should be quite prepared to have the tariff taken off our implements, if at the same time it were taken off everything that enters into the cost of producing them. In fact, considering how large our foreign trade is, in proportion to the whole, we honestly believe we could make more money under such a free trade condition than we are making at the present time.

And he makes this statement:

On August 14, 1917, following a very full discussion of the whole tariff situation and its effect upon our company the following resolution was unanimously passed by our directors and placed upon the minutes of the board:

"A further discussion on the tariff situation followed, and the president submitted figures illustrating the effect of the tariff on our business; and, while the consensus of opinion was that, given free materials, machinery and all other articles entering into the manufacture of our goods and the operation of our plants, we would be as well off with free agricultural implements, it was not thought desirable to make a statement of any kind at present in regard to the position on account of the unsettled political situation and the feeling that the effect of practically free trade on other Canadian manufacturing industries might be different from its effect on ourselves.

Now, it is true that the Canadian implement manufacturers have not got all that enters into their cost of production free. They have not got free coal, or free steel for the erection of their factories, or free belting or free machinery. But they have got free raw materials; they have got partly at least the condition under which they said free trade would be a benefit to them, and they have not had all the duty

taken off. Surely the plea that they are going to expire is not a plea that can be sustained, in view of the evidence brought forward by themselves.

Mr. HOEY: And they have got relief from the sales tax.

Mr. McMASTER: And they have got relief from the sales tax, as the member for Springfield (Mr. Hoey) says. I am afraid that the member for St. Lawrence-St. George was drawing his information as to the condition of the industry from the Montreal Gazette, which on the 12th of April, 1924, said:

New Budget Shows Immediate Effect. St. Hyacinthe Agricultural Implement Works are Forced into Liquidation. Communication to C.M.A.

That stands for Canadian Manufacturers' Association.

Present Reduction of Tariff Regarded at Board of Trade Merely as First Step. "I have just received notice of the first fruits of the new budget and the reduced tariff on agricultural implements, so far as this province is concerned," said R. W. Gould, secretary of the Quebec division of the Canadian Manufacturers' Association, yesterday afternoon. "That is a letter from the vice-chairman of our St. Hyacinthe branch, who is also head of the agricultural implement works at St. Hyacinthe." He has sent me notice that his firm has to-day been compelled to go into liquidation, as a direct result of the budget brought down the day before at Ottawa, which spelt ruin to his industry.

Mr. CALDWELL: An instantaneous effect.

Mr. McMASTER: An instantaneous effect, as the member for Victoria and Carleton (Mr. Caldwell) says. But it was a cruel untruth; it was absolutely false. There had been no going into liquidation. A withdrawal was made. Two days afterwards the following statement appeared in the same well-known paper—

Mr. HOEY: In small print?

Mr. McMASTER: In small print.

No Liquidation

The statement recently made that an agricultural implement manufacturing firm at St. Hyacinthe has been forced into liquidation by the budget, it was stated, has fortunately proved to be incorrect, the notice of their resignation from the Canadian Manufacturers' Association having been misinterpreted as meaning their liquidation.

Now that is a pretty slim excuse, and moreover it has not even the virtue of being true, because I have it from the member for St. Hyacinthe (Mr. Morin) himself that the firm referred to is the firm of O. Chalifoux et fils, Ltée, manufacturers of threshing machines, hay pressers et cetera: That company is not in liquidation, but expects to have, and we all trust it will have, years of useful growth before it. It never retired from the Canadian Manufacturers' Association, but I would recommend, and perhaps the hon. member for St. Hyacinthe will convey my humble advice to them, that it would be wise to retire from such an association, because it is a pretty hard thing for a company which is in a firm and proper condition, as far as I know and believe it to be, first of all to be branded as being en deconfiture—in bankruptcy—and then when they protested against that to have the association say "Oh, we had a letter from you and we now see it was that you were retiring from our association; we thought you had gone into insolvency." I think that perhaps these may be the sources of information about the agricultural implement manufacturers from which the hon. member for St. Lawrence-St. George has drawn his information, and I would recommend him with all courtesy to seek more accurate sources of information.

Now are the Massey-Harris people likely to expire under this present reduction of duty? Before the war they stated they carried on sixty per cent of their business outside of Canada. They went into Australia, they went into France, they went into the United States itself, they went into British South Africa, they went into the United Kingdom, they went into Belgium, they went into Denmark, and in all those countries they met the competition of the world.

Mr. CLARK: Does the hon. member suggest that the Massey-Harris people were exporting to the United States?

Mr. McMASTER: I presume they were. I will give the hon. member the export figures to the United States, and as the Massey-Harris Company is one of our largest implement manufacturers, I presume they were exporting. I think there is no question of their exporting to the United States. Perhaps I could bring in these figures here as well as later. The hon. member knows, of course, that there is no duty on agricultural implements entering the United States.

Mr. BROWN: I saw their implements on sale in Hanna, North Dakota.

Mr. McMASTER: There we have the evidence of an hon. member who was formerly a Congregational clergyman, so there is no question about it. Perhaps I might put on Hansard these figures because I think they are of real interest.

IMPORTS OF AGRICULTURAL IMPLEMENTS INTO CANADA FOR YEARS 1922, 1923 & 1924

Agricultural implements and machinery	Total imports	Imports from		
		United Kingdom	United States	Other Countries
	$	$	$	$
1922				
Dutiable	5,216,371	36,658	5,176,009	3,704
Free	2,501,661	32,174	2,370,463	99,024
Total	7,718,032	68,832	7,546,472	102,728
1923				
Dutiable	4,571,378	28,798	4,530,947	11,633
Free	3,852,617	2,243	3,821,124	29,250
Total	8,423,995	31,041	8,352,071	40,883
1924				
Dutiable	6,951,681	52,793	6,885,535	13,353
Free	4,814,604	51,726	4,684,479	78,399
Total	11,766,285	104,519	11,570,014	91,752

EXPORTS OF AGRICULTURAL IMPLEMENTS

—	Total exports	Exports to		
		United Kingdom	United States	Other Countries
	$	$	$	$
Agricultural implements and machinery—				
1922	5,345,308	371,642	583,005	4,390,661
1923	6,066,893	290,981	1,346,840	4,429,072
1924	9,339,519	659,679	812,290	7,867,550

Mr. CLARK: How many factories have the Massey-Harris people and where are they located? The hon. member was talking of the Massey-Harris people, and was going to give us figures of their exports to the United States.

Mr. McMASTER: I have not gone into the matter so thoroughly as to be able to tell from what particular factory the implements went into the United States, but what I do say, and what I think is a perfectly fair presumption is that, the Massey-Harris people being one of our largest manufacturers of agricultural implements, if we find that in one year over one million dollars' worth of agricultural implements was shipped from this country to the United States, the Massey-Harris people shipped some of those implements. If not, then the Massey-Harris Company were sending their implements into countries where they enjoyed no tariff privilege in comparison with the United States and were meeting the competition of the United States; so whether they met the competition of the United States manufacturers at home, or whether they met the competition of the United States manufacturers abroad, does not seem to me to make any great difference. Furthermore, the blue books of this country show that our implement manufacturers are sending their implements into the United States itself.

Mr. CLARK: Will the hon. member tell us the balance of trade in favour of the United States as regards agricultural implements?

Mr. McMASTER: I have those figures too.

Mr. CLARK: It might do the members of the House good to hear it.

Mr. McMASTER: I skipped some of the table to relieve the members the tedium of hearing long lists of figures. In 1922 we imported from the United States $7,546,472 worth of agricultural implements. Now I will give our exports for the year 1922. Our total exports of agricultural implements amounted to $5,345,308, of which we exported $583,005 to the United States.

Mr. CLARK: I asked for the balance of trade.

Mr. McMASTER: If I might be deflected for a moment, the balance of trade is one of the fallacies which was held by the mercantilists of the middle of the eighteenth century, and which was exploded by Adam Smith in his Wealth of Nations in 1766 or thereabouts.

Mr. EULER: What were the imports in 1923?

Mr. McMASTER: In 1923 the whole imports were; dutiable $4,571,378; free $3,852,617, making a total of $8,423,995.

Mr. EULER: That is wrong.

Mr. McMASTER: No, these are prepared by the Bureau of Statistics and these are the total imports. I have a table from the Dominion Bureau of Statistics, a comparative statement of the exports of agricultural implements to foreign countries from Canada and the United States. This is a statement comparing the calendar year of 1923. The first column contains the exports of Canada and the next column contains the exports of the United States. In considering these figures it should be remembered the United States has a population from thirteen to fourteen times as great as ours, and that the division between the rural population and the urban population is not greatly dissimilar to ours. Certainly they have a somewhat larger proportion of urban population to rural population than we have, but there is no great discrepancy between the populations of both countries. That should be borne in mind when we consider the figures. What do we find? We find that in the calendar year ending December 31, 1923, the United States and Canada sent goods to foreign countries as follows:

Comparative statement of exports of agricultural implements to foreign countries by Canada and United States for year ending December, 31, 1923

	Canada	United States
Argentine	$1,989,901	$12,975,828
France	2,157,589	4,821,906
Australia	1,359,770	3,610,177
Belgium	159,199	1,836,157
United Kingdom	519,539	1,787,436
British South Africa	305,467	1,463,215

One of the reasons why the American figures are very much larger than ours in certain countries is, first of all, the fact that they have a very much larger production, and it is natural they should have a larger export to the foreign markets, and secondly a great deal of their exports are tractors, and apparently our implement factories have not specialized in tractors as they have in the United States.

Let me turn to the situation in Australia, because I regard that as of real interest. In Australia we do not enjoy the benefits of the British preference. Our agricultural implement manufacturers go into Australia and compete there with the British manufacturers who have a preference, and American manufacturers are in exactly the same position as we are. Now the duties are very high. I notice the member for Fort William and Rainy River held up the Australian government as a wise government because they imposed heavy duties. I do not think our manufacturers of agricultural implements would share the opinion of the hon. member in this regard. But that of course is beside the point. Australia in the year 1919-20, 1920-21, 1921-22, bought goods from the United Kingdom, the United States and Canada as follows:

	1919-1920	1920-1921	1921-1922
United Kingdom	$271,730 82	$ 468 677 52	$ 417,028 56
Canada	977,874 42	1,863,405 30	1,265,565 96
United States	633,623 94	1,663,125 42	1,005,775 02

I have been frank and honest because already I have given the House the last year in which the difference was the other way. The United States sold more to Australia than we did. But in the three years we considerably outsold the United States in the Australian market under precisely the same tariff conditions. After that argument will anybody say that the agricultural implement industry of Canada is on the point of expiration?

Mr. HOEY: Will the hon. gentleman tell us what the Australian tariff on agricultual implements is?

Mr. McMASTER: I think I have it here, and it is very heavy. The tariff on reapers, threshers and harvesters as against British goods is 22½ per cent; as against Canadian and American, 35 per cent. Hay rakes have a specific duty of £1. 15s. under the British preference tariff, and £3 under the general tariff; and if that tax is not 30 per cent ad valorem under the British preference and 45 per cent under the general tariff, the ad valorem duties at those rates are applied. Reapers and binders bear a duty of £6 10s. under the British preference or 30 per cent ad valorem, and under the general tariff £10. or 45 per cent; mowers £2. 8s. specific duty under the British tariff, £4. under the general tariff, and 30 per cent and 45 per cent ad valorem. That seems to me to be a very strong argument as against the contention

that the Canadian implement manufacturers are unable to meet competition.

Mr. EULER: Would the hon. gentleman admit that there are literally scores of smaller manufacturers of implements in Canada in addition to the Massey-Harris and International who might be otherwise affected?

Mr. McMASTER: I presume there are and they might be otherwise affected. I do not see why they should be otherwise affected. I presume smaller manufacturers will manufacture more or less specialized machinery for local needs, and if they have their raw material given to them at a low rate or free, as under the proposed agreement, and have a protection still accorded to them, of from six per cent upwards to, in some cases, fifteen per cent, I do not see why they cannot make it go. That is the answer I would make.

Mr. EULER: That is your assumption.

Mr. McMASTER: That is an assumption, but I think it is a reasonable assumption. I am not going to admit as a Canadian citizen for a moment that my Canadian fellow citizens are less capable than citizens who live in the United States. When I visit the United States, whom do I find are leaders in the life of the United States in those cities to which Canadians have resorted? Do I find our Canadian people in a condition of inferiorty, or do I find them leaders in the professions or businesses with which they are connected? Why, if a man gets really sick in New York, they go out and shout for a doctor and a Canadian nurse.

Mr. EULER: That is begging the question entirely.

Mr. McMASTER: No, that is not begging the question. That is trying to instil into the hearts of the protectionists of Canada self-confidence and belief in their own country:

> O wad some power the giftie gie us,
> To see oursels as ithers see us!

Would that the protectionists would only realise the posture they stand in before their fellow citizens. After having enjoyed special privileges for almost fifty years, they do not seem a whit more willing to let go any of the special privileges than when they asked for them in the first place. The hon. member for Assiniboia (Mr. Gould) says that they are less willing, and I think that possibly he is correct. I do not wish to dwell too long upon this question of agricultural implements; I do not desire to labour the point or to weary the House with figures; but what I wish to draw to the attention of the House is this: My investigation has borne in on my mind two facts, first of all, that where there is a heavy tariff against imports of agricultural implements, our manufacturers are able to meet competition in those countries; but the second is how low the rate on agricultural implements is in the tariffs of nearly all the countries whose tariffs I have examined. France, although it is a highly protectionist country, has a very low rate on agricultural machinery. It is a little hard to calculate because its specific duties are measured in kilograms; but the best information I could get and the best calculation I could make show that a binder that weights about 1,500 pounds pays a duty of only about $11.76, which is very low. That is under the minimum tariff which we have the right to have and retain under the French treaty that our friends in the far corner of this room were so critical about in the earlier part of the debate. Of course, into the United Kingdom and the Irish Free State, agricultural machinery goes free; there is no preference. Agricultural machinery goes into South Africa under the British preferential tariff, of which we have the benefit in this country. In Belgium there is an extremely low duty, about the same as that of France. The same thing is true of Denmark. In New Zealand, agricultural implements are free. Therefore, we find that when the Canadian farmer goes on to the markets of the world to sell his wheat or any other product, he has to compete with countries, the farmers of which enjoy in very many cases either a very low rate of duty on agricultural machinery or their agricultural machinery free of customs duties. I think, perhaps, I have dealt at sufficient length with the question of agricultural implements.

Mr. MACLEAN (York): I am only putting forward a statement made to me in the last day or two. Supposing the Canadian market was guaranteed to the Canadian manufacturer by probably a prohibitory tariff, would he be given that market if he undertook to sell his goods at prices that obtain in the United States? Could he be guaranteed the Canadian market at American prices under that arrangement?

Mr McMASTER: I was reproached a little while ago for having made an assumption. I feel I would lay myself open to the reproach of attempting prophecy if I attempted to answer the question just propounded by the hon. member for South York.

It might be interesting to know, before I pass from this question of agricultural machinery, that in 1922, no less than one-third

of our total production went abroad. Of course, the production in 1922 was low, some $19,000,000, of which we exported some $6,000,000 worth, or 33.33 per cent. In 1921, we exported only 14.5 per cent, but the production was very much higher then, $36,763,000.

The woollen people have been complaining to a certain extent and we have heard a good deal about their complaints. I have been looking into the matter a little, and I find that a number of our woollen mills are doing remarkably well. I think I shall leave the matter of woollens at this point, because I do not wish to delay the House too long, and I feel that after all the hon. member for St. Lawrence-St. George, whom I am attempting to answer, did not dwell to any great extent upon the question of woollens. I would say this in closing, however, on this question of woollens, that I doubt if there is an industry that can ask properly for protection in this country with less grace than the woollen industry, in view of the fact that in our cold climate warm woollen goods are of the most vital necessity. There is a great demand for woollen clothing in this country, and I see no reason why our woollen manufacturers cannot compete with the rest of the world along certain lines. I venture to suggest that they have attempted to compete in lines for which they are not naturally adapted, and that in order to do so they have brought in fine wools from a great distance and endeavoured to manufacture them here, while it might have been better for them to have restricted themselves to goods more native to our country. That, however, is a matter for themselves to settle. I think it should be laid down as a principle that warmth, which means health, should not be unduly taxed in this country.

There has been a disposition on the part of some hon. members of the Conservative party to chide low tariff advocates with a disinclination to descend to boots and shoes, and I purpose to deal with the matter for a short time. The first point that I want to make is that when we talk about importations of boots and shoes, we are talking about something which is of negligible proportions in comparison with the entire production. The production of footwear, both leather and rubber, amounted in 1922 to: Leather $45,503,858; rubber, $14,986,591, or a total of $60,490,449, and the total imports for the same year amounted to: Leather, $1,338,775; rubber, $98,161, or a total of $1,436,936. Therefore, the amount of goods imported into Canada is really negligible, being between two and three per cent. The imports in 1922 were less than 3 per cent of the entire production. I take the evidence given by the two manufacturers before the Drayton commission. At that time—I do not know whether this is perfectly true now—it was stated that practically no farmers' or workmen's boots were imported into Canada. The tariff was able to shut out almost entirely all the boots usually worn by the labouring and farming class. There is at present an influx of British boots owing to the fact, apparently, that our young men while they were overseas got to like the British article. At any rate there has been a greater sale of British boots in Canada lately than for years. It would be interesting, I think, for our shoe manufacturers to realize what the British makers of boots and shoes did when they were confronted with a similar condition some years ago. At a certain period in the history of the British boot and shoe trade there was a very considerable importation of American boots and shoes into Great Britain, due largely to the fact that the Americans had adopted machinery of a better quality than that which was in use in the United Kingdom at that time. Instead of asking for protection the British shoe manufacturers sent over agents to the United States where they learned just in what respect the American manufacturers were superior. Those agents went back to Great Britain and the British boot and shoe manufacturers adopted the improved methods of their competitors.

Let me refer the House to the evidence given before the Tariff Commission by the representatives of the boot and shoe industry, who were pleading at that time for the maintenance of the duty. The duty was then, as it is now, 30 per cent from the United States on the finer boots and shoes. Item 611 in the tariff list, boots and shoes, pegged or wire fastened, gives the rates of duty as 17½ per cent, 22½ per cent and 25 per cent; and item 611A., boots, shoes, slippers and insoles of any material not otherwise specified, gives the three rates of 17½ per cent, 27½ per cent and 30 per cent. According to the statement made by a Mr. Palmer who represented the boot and shoe manufacturers before that commission, it was learned that the Canadian factories were thoroughly up to date. Mr. Palmer said that they were quite up to date, having the best of machinery. On the other hand, Mr. Reider, correcting Mr. Palmer, said in his evidence that they had not the most up to date machinery for the reason that most of the shoe machinery in use in Canada was not sold but only leased. He said that the market in Canada for this

machinery was too small to make it worth while manufacturing any of it here and therefore they could not import it into Canada lest the manufacturers should lose their patents. I think that situation has been changed by the Patent Act which we passed last year. Having read the act I have come to the conclusion that the Commissioner of Patents has now the right to say to the manufacturer of patent shoe machinery, or the manufacturer of any other patented article, "You shall supply the Canadian demand at reasonable prices or lose your patent rights in Canada." If that does not meet the situation then such amendments should be made in the Patent Act as will do so. If there is real malaise in the boot and shoe industry I take it it is due not to competition from the outside but to the fact that there is improper financing; there is frenzied finance in connection with the industry. The hon. member for North Waterloo (Mr. Euler) shakes his head. Well, I come from the city in which the exploits of the promoters of the Ames, Holden, McCready Company are particularly well known, and I know whereof I speak.

Mr. EULER: My hon. friend should not generalize from too small a number of instances.

Mr. McMASTER: The hon. member tells me not to argue from the particular to the general. The instance I have cited may not of course be symptomatic of all the shoe manufacturers, but it certainly is one case in which there was bad financing; and this bad financing is I think responsible for a rumour which I heard—I cannot vouch for its accuracy—from the lips of a member of this House to the effect that this particular company had thrown upon the market at slaughter prices some $2,500,000 worth of boots and shoes. So that this specific instance affects the general situation. I suggest, too, as possibly another reason for the present condition of the industry, that we have too many factories endeavouring to manufacture too many lines. As a rule I am no friend of combinations, but there is in the economic life of this country room for what I may call proper combination; and if several factories got together and one decided to adapt its machinery to the production of one class of goods and another a different class, I think there would be real economic benefit to be derived not only by the manufacturer himself but as well by the public at large. We had a special committee examining into agricultural conditions and we also took cognizance of various other things such as sugar refineries, fertilizer manufacturing, and so forth. And there appeared before us a shoe manufacturer who said that he had started in 1900 with a capital of $2,000 which was largely borrowed; he manufactured a special line, devoting himself exclusively thereto, and as a result of his business methods he was in a position to meet competition from the United States. Now, I do not see why, if he could do that, others should not be able to do the same. Our manufacturers have the American market, so they cannot say that they have to manufacture for too small a market. There is no duty on boots and shoes going into the United States, but there is, it is true, this disadvantage under which they labour: There is no duty on leather going into the United States whereas there is one on leather coming into Canada. And this only goes to show again what a vicious circle protection is; because in order to benefit one man you hurt another. You cannot help everybody and in the end you arrive at that point where every one is more or less hurt, including of course the consumer. No doubt in the finer lines of goods our Canadian manufacturers are at a disadvantage by reason of the tariff. Let me quote the following tariff duties on certain kinds of leather:

Tariff duties on certain kinds of leather

No. 604—Dongola, Cordovan, Calf, Sheep, Lamb, Kid or Goat, Alligator and all leather dressed, waxed, glazed, or further finished than tanned, n.o.p.: harness leather and chamois skin—12½ per cent, 15 per cent, 15 per cent.

No. 605—Skins for morocco leather, tanned but not further manufactured, belting leather of all kinds, tanners' scrap leather, leather not further finished than tanned, and skins, n.o.p.: 10 per cent, 12½ per cent, 15 per cent.

Sole leather 12½ per cent, 15 per cent, 17½ per cent.

I think it must be admitted that inasmuch as their costs of production are increased by the duty on the raw material the Canadian manufacturers of boots and shoes are at a certain disadvantage when they compete with the United States. But of course they enjoy certain advantages. The manufacturers in Ontario, in a town, say, such as that from which my hon. friend from North Waterloo comes, probably get their power at 50 per cent of what it costs the American manufacturer in the New England states. I was informed the other day by a very distinguished member of the House that in the riding from which he comes the factories pay 50 per cent less for their power than do their competitors in the United States. And I have no doubt that this is true in the case of the town from which my hon. friend from North Waterloo comes, because I think it has enjoyed the benefit of the Hydro Electric Commission's exploitation, in fact I believe he is one of those who have

conferred the benefit of that cheap power on that part of his native province.

Mr. HOEY: Do they get a drawback of the duty in the case of export?

Mr. McMASTER: I really could not tell. If they do not get a drawback of the duty, that might be another way of helping them out. But the best cure for all this is to endeavour as far as possible with prudence and care, with due respect for existing conditions and for the revenue, to try and reduce duties all along the line to a lower level.

Now I come to fertilizers. This is one of the items on which the tariff has been substantially reduced—in fact it has disappeared, having been reduced from 10 per cent to nothing at all. Of course that is only what it should be. The idea of taxing that which is to restore and renew the fertility of the soil is certainly taxation run mad. But I do not believe that our Canadian manufacturers need complain very much. The total production for 1922 amounted to $5,533,136. We imported $1,048,620, and we exported $2,213,-351. Therefore in 1922 we exported 40 per cent of our entire production. Of course, when we exported we had to meet the competition of the fertilizer manufacturers in the countries into which we sent our goods. Then we had brought before the special committee examining into agricultural conditions by an unimpeachable authority, by one of the members of the committee himself, the fact that a fertilizer company in New Brunswick was able to charge its New Brunswick customers $9 per ton more than it charged its customers for the selfsame thing across the line in the state of Maine. This tariff, I trust, will go into effect, and consequently next year the New Brunswick farmers will pay the same price as the Maine farmers.

While I was thinking of fertilizers my subconscious mind reminded me of something I had forgotten in regard to agricultural implements, and I crave your indulgence, Mr. Speaker, while I return to that subject for a moment. It is to answer the argument adduced by the member for St. Lawrence-St, George. He asked: What about our people who supply our Canadian manufacturers of implements with their raw material? Well, how much of the raw material is bought in Canada? Mr. Findley, in his evidence before the special committee to which I have already referred, said that two-thirds of the raw material of his company was purchased in the United States; that they got pig iron from Pittsburgh much of their other material of a mineral nature from Buffalo and Tonawanda, and all their wood from the United States also. I think it well that these facts should be known.

Now I pass on to another head of my observations. The government have taken a step, and a decided step in the right direction, and any help that I can give them along those lines I will most readily afford. But I have the feeling that, having started on the right road, they will not mind if a candid friend points out other steps which should be taken at the earliest possible moment. I want to see a modification, if not an entire elimination, of the dumping clause. I think it is an evil thing, and, like most evil things, it likes to work in the dark. I do not think the government quite realize how much they disappointed their friends, before bringing in this budget that we welcome so warmly, when by regulation they did away with the saving paragraph in the dumping clause which prevented its being applied if the difference between the market price and the purchase price was less than 5 per cent. Now, I do not know just what effect that may have. It may not have as much effect as I dread, but I do not like it, and I want to see it removed at the earliest possible moment.

I do not think the public of Canada quite realize what this dumping clause really does, so I am going to try, in the most untechnical language possible, to explain its operations. If I go into the United States, let us say, and buy $100 worth of goods, and the ordinary market price is $100, I come back to the customs house and pay, let us say, 10 per cent—if that is the rate of duty—on that $100 worth of goods, or $10. Suppose I go down a few weeks afterwards and am offered a bargain and suppose, being from north of the Tweed, I am a shrewd bargainer and I buy for $90 what the ordinary American is paying $100 for, when I get to the customs house the Canadian government charges me the whole difference between $90 and $100. The government penalizes me for having followed my national instincts. Then after having charged me the full difference between $90 and $100 it imposes the tariff of 10 per cent, so I pay $20 on that importation of $90 instead of $9 as I should have paid. Before this change in the regulation, if I had only succeeded in getting a bargain for $95, the dumping clause would not have applied and I would have paid only the 10 per cent on the $95. But now, even if I get a bargain of 2 per cent I am going to be charged that 2 per cent, with the duty on top of it.

Mr. GARLAND (Bow River): And the dumping duty on top of that?

Mr. McMASTER: The whole difference between the price, whatever it was, below the market price, and then the duty on top of that.

Mr. GARLAND (Bow River): And the dumping duty as well.

Mr. McMASTER: No, I think that is the dumping duty. It is bad enough already; there is no use making it worse. In my view that is making the Department of Customs, not an engine for collecting revenue for the state, but a barrier against allowing goods to come in, and a direct discouragement to our traders to make the best bargains possible.

The next step I want to see taken is the removal of the right of the Minister of Customs to value arbitrarily imports of natural products. That is a direct infringement of the right of parliament to impose taxation. It is open to the most serious abuse. It is protectionism of the most virulent and unwholesome character.

The third step I wish to see taken is the elimination of the valuation of goods at arbitrary values, such as valuing goods which come from one country at the supposed price that they are selling at in another. It is not a wholesome way of valuing goods. As a matter of fact, this depreciation of currency business has been altogether exaggerated. When you depreciate currency you raise prices. The German mark has practically disappeared—the old paper mark; they have a new currency which they call the rentemark. I am told on reliable authority that prices in Germany to-day are what they were in 1914, plus about from 50 to 70 per cent. After all in the long run this endeavouring to enrich oneself by the issue of paper money defeats its own ends. It may have some temporary effect, but it is an effect which will be very temporary indeed.

Then, the fourth step that I wish to see taken is a general reduction of the tariff after a careful inquiry, and that careful inquiry should not consist merely of a genial minister of the Crown going round and asking the manufacturers what they want. The object of the inquiry should not be to decide whether protection or tariffs are to stay up or to come down. It should be rather to determine how tariffs are to come down with the least disturbance of business and the greatest help to the revenue and to the consumer. When this tariff commission gets to work one of the vital avenues of inquiry should be the real amount of money invested in the business. The commission should be accompanied by an accountant with a clear eye, a courageous heart, and no too great confidence in the assertions of his fellow men.

An hon. MEMBER: Suspicious.

Mr. McMASTER: He should be a man of a somewhat suspicious nature. We do not want exactly to encourage an American at the expense of a Canadian, but perhaps he should be someone whose father or grandfather came from Missouri.

Mr. SUTHERLAND: After making this inquiry, would my hon. friend consent to the tariff being increased if the inquiry justified an increase?

Mr. McMASTER: No, not at all. That has just been the trouble with a number of inquiries in this country; it has been along the line of what Sir John A. Macdonald did. Sir John A. went to Hamilton and he said to the manufacturers there: "Tell us what you want and we will see what we can give you." We do not want tariff inquiries along these lines. No; the point I want to make is this, and I make it with all solemnity: We have got tremendous burdens of taxation to bear in this country. We hope to be able to win our way through. We can only do so if we direct the energy and the capital of this country into those channels where we can obtain the greatest economic returns. We cannot afford to maintain industries in this country that cannot within a reasonable time stand upon their own feet, because such industries do not increase the wealth of the country. There is no question about that; we need all our wealth to carry ourselves along.

Mr. SUTHERLAND: If my hon. friend will permit me, does he insist upon the eventual removal of the tariff entirely?

Mr. McMASTER: In the long run. That is not the next step; that may take years. The next practical step is a tariff which will be framed with the purpose of raising revenue primarily, which will not be, as the present tariff so largely is, a tariff not to raise revenue but to keep goods out of the country. That is my answer.

Mr. SUTHERLAND: In order to raise a revenue, then, it would be necessary to import the goods and not manufacture them at home.

Mr. McMASTER: Let me make myself perfectly clear. We will never import anything into this country that we can make more cheaply in Canada. We will never import into Canada anything which is not

better value for our money than something we can buy inside. The labour and capital of this country can best be employed in creating the value which is to be exchanged Mr. Speaker, if we could only eliminate the idea of money from peoples' heads and hearts and minds, we would get a much truer idea of what national trade is. It is barter between individuals, and no man gets poorer by getting bargains, no man gets poorer by exchanging what he has for something of more value. And as the nation is composed of individual units, no nation can get poorer by exchanging what it has for something of greater value.

Our manufacturers have had the tariff so long that some of them really believe that their very life blood depends on it. I think they are wrong. Prior to the emancipation of the slaves in the United States the greatest part of the public opinion of the southern states held as a unit that without negro slavery no economic life was possible in that part of the United States. They said that without the negroes to cultivate the cotton there was no future for the southern states as a whole. Ministers from their pulpits justified negro slavery; college professors from their chairs stated that without negro slavery the economic life of the south could not go on. But negro slavery was fundamentally unjust, even as it is fundamentally unjust to maintain protection in a country where there the vast body of the people cannot be protected. The feeling that negro slavery was unjust and unrighteous steadily grew. It grew first in the north; the abolitionists were reviled and prosecuted, but their influence increased until the nation trusted and the nation tried. They did away with slavery, and only after a bloody war; but did the southern United States go down? They went down for a while under the turmoil of the reconstruction period, for which carpet-baggers from the north were as much responsible as the southerners, perhaps more so. But the tremendous development of the southern states would have been impossible under slavery. In the same way I say that nothing that is just can be inexpedient, and by following the dictates of prudence, animated by the spirit of justice, desirous of getting rid of special privilege, we may be confident that the future of Canada, not only nationally but economically, is assured.

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Speaker, I wish to join with the other members of the House who have congratulated the hon. Acting Minister of Finance (Mr. Robb) upon the budget speech he delivered shortly before the Easter recess, and upon the manner of the presentation of that speech. As I have listened to the speeches of the hon. members immediately to your left, Mr. Speaker, and noted their attitude, I have come to the conclusion they are not well pleased over the resolutions proposed in this budget and that they intend, if they get a chance, to vote against them. I am not surprised at that attitude. It was well understood by the country, and by the newspapers supporting the Conservative party, that they would oppose anything which the government proposed. So respectable and staid a newspaper as the Montreal Gazette made this statement on the morning of the day the budget was delivered:

> The Conservatives are confident that they have the government at a disadvantage, no matter what its policy may be. If reductions of account are made in the tariff, they will be criticized as involving a departure from the policy of tariff stability on which Mr. Fielding and Sir Lomer Gouin so much prided themselves last session. On the other hand, if the government does not make worth-while reductions, it will be condemned as unfaithful to its platform and election pledges.

No matter what the government might do, whether its policies are in the interest of the country or not, no matter how wise or beneficial its legislation might be, it was going to receive the condemnation of the official opposition. But there is worse than that. A paper published in my own province, strongly supporting the Conservative party, a paper which in an issue some time ago stated that the present leader of the Conservative party was the ablest statesman now living in the world, in an editorial referring to the threatened strike of the post office employees a few weeks ago said:

> As for the opposition, well, they rather enjoy seeing the government embarrassed, let the trouble come from whatever quarter it may.

They would rather see the government embarrassed than see the country prosper. They would like to see unrest, dissatisfaction, threatened strikes, turmoil, strife—anything at all that would embarrass the present government. I had hoped there was a time in the history of the Conservative party when they recognized their duty in a different way. I had hoped there was at least some period in their history when they thought differently.

Mr. LOGAN: A long time ago.

Mr. HUGHES: Yes, I believe it was a long time ago.

Mr. ARCHAMBAULT: In 1643.

Mr. HUGHES: I see the ex-Minister of Finance (Sir Henry Drayton) in his place and displaying a great deal of jocularity. On

account of his position as ex-Minister of Finance he is the chief critic of financial matters; he is a man of prominence in the country, and a man of very great prominence in his party. In his speech on the budget a few days ago he started out by complimenting the Acting Minister of Finance (Mr. Robb) on the frankness which he displayed in the presentation of his budget speech, but a little later on he said that the surplus shown was manufactured by crooked bookkeeping. Well, that was not very complimentary. He went on to say that the moneys raised by bonds issued by the National Railways and guaranteed by the government should have been debited to the government, should have been charged to consolidated fund just as was done with other expenditures. But when my hon. friend was Minister of Finance, and the government of which he was a member guaranteed in 1920-21 $50,000,000 of bonds of the National Railways, $25,000,000 of that issue was used in precisely the same way.

Sir HENRY DRAYTON: My hon. friend is wrong.

Mr. HUGHES: Your hon. friend is not wrong; the ex-Minister of Finance is wrong.

Sir HENRY DRAYTON: You are entirely wrong.

Mr. HUGHES: The guaranteed loans of the Canadian Northern in 1920-21 and in 1921-22 were used for the retirement of maturing obligations or the repayment of government loans, but the Grand Trunk guaranteed loan of $25,000,000 was used for general purposes.

Sir HENRY DRAYTON: My hon. friend is wrong, quite wrong.

Mr. HUGHES: It was used for fixed charges, deficits, maturing obligations, capital expenditures and Grand Trunk Pacific obligations, just as ordinary loans and advances by the government are used. Now either the ex-Minister of Finance knows that to be correct or he is very deficient in information. In 1921-22, $61,000,000 of bonds were issued, of which $25,000,000 at least were used for the ordinary purposes of the railway, and this can be found in the railway accounts themselves, so there is no question about, it, and I am more than surprised that the ex-Minister of Finance should question this statement—

Sir HENRY DRAYTON: We will give you more surprises and a little light later on.

Mr. HUGHES: No. I am giving the light to my hon. friend.

[Mr. Hughes.]

Mr. ARCHAMBAULT: He is blind.

Mr. HUGHES: I have read the speech of the ex-Minister of Finance very carefully, and on page 1223 of Hansard he made this statement:

> We would further expect something to be done to help the Canadian farmer, who to-day is shut out from his natural market to the south.

From his natural market to the south! Whenever Liberals have said that our natural market was to the south, they were accused of being disloyal. When did the Conservative party come to the conclusion that our natural market was to the south? Was this statement made by my hon. friend in a moment of candour, or because of a sudden ray of light, or was it simply an accident? In the year 1911, when the reciprocity agreement was negotiated with the United States, when this natural market was thrown open to the producers of Canada, to the natural industries of this country, my hon. friend and his associates adopted every device and made every statement they could think of to deceive and mislead the Canadian people in regard to that matter. When those negotiations were being conducted the legislature in the province from which I come was in session. The leader of the Conservative party introduced a resolution stating that the people of Prince Edward Island were in favour of a fair measure of reciprocity with the United States. Another Conservative seconded that resolution and it was passed unanimously. Two or three months later when that reciprocity agreement came before the people of Canada the Conservative party in the federal parliament decided to oppose it. These same gentlemen went out upon the hustings and declared that the agreement that had been negotiated would be ruinous to that province and to the whole of Canada. I asked these gentlemen, in view of the fact that they had put themselves on record as being in favour of reciprocity, could they come to the conclusion that the agreement as reached was not fair? Was there any feature of it not fair? I got no answer. I asked, was there any item on the reciprocal list that should not be there, and I got no answer. I asked them to tell me if there was any item on the list that should be removed, and I could not get an answer. The attitude of the Conservative party in Prince Edward Island was a fair sample of the attitude of the Conservative party throughout Canada.

As I have already stated, I read carefully the speech made by the ex-Minister of Finance (Sir Henry Drayton) and I find he

stated that the reductions in the tariff provided in the budget were made at the behest of the farmers or the Progressive party in this House; and in the same breath he stated that the reductions that had been made, or the changes that had been proposed, would be of no benefit to the farmers of the country. Although they were made at the request of the farmers' party and were satisfactory to the representatives of the rural constituencies, he declared that they were of no advantage to them. He actually stated that the reductions amounted to the small sum of only $750,000; yet at the same time he said that they would destroy the manufacturing and industrial interests of the country. In the next place he stated that the manufacturers of agricultural implements were the only people who would benefit by the changes. The hon. ex-Finance Minister laughs. He has reason to.

Sir HENRY DRAYTON: Yes, I have.

Mr. HUGHES: Yes, indeed you have. Considerable effort is being made in the country and by the Conservative members in this House to mislead and deceive the people engaged in farming and in the production of agricultural products. The province of Prince Edward Island has made a great success of the poultry branch of the farming business. They have also made a success of other branches of farming, and I find the newspapers in the province from which I come are particularly stressing what they call an argument, namely the fact that the United States charge a customs duty of eight cents a dozen upon eggs going into that country, while we, in Canada charge but three cents, and they claim that this is a great injustice to the poultrymen and farmers of this Dominion. We have only to examine the production in this country and the exports and imports of eggs to satisfy ourselves that a higher duty on that commodity would be of no advantage whatever to the poultrymen or farmers of Canada. The estimated production of eggs in Canada is $48,000,000 to $50,000,000 a year. We import $2,000,000 worth and export very nearly $2,000,000 worth. It is a seasonal product. We import eggs largely at the season of the year when we are not producing them here. It is a product the people want to get if possible in a fresh state, and can anybody say that to place a duty on the small amount we are importing at a season when the farmers and poultrymen have no fresh eggs to sell, in the months of December, January and February, could be of any possible advantage to the poultrymen or farmers of this country.

The ex-Minister of Finance (Sir Henry Drayton) referred to the article of cheese a few days ago when speaking on the budget, and intimated that the farmers of the Dominion of Canada were at a great disadvantage and were suffering a great hardship because the duty on cheese coming into the country was not higher, while at the same time our exports of cheese are about 1,000 per cent greater than our imports. We only import a small quantity of cheese of a particular kind that we do not produce in this country. The farmers of Canada have entire control of the local market and export a very large quantity. The estimated value of the cheese produced in Canada in 1922 was $28,000,000. In that year we imported $325,000 worth and we exported $25,440,000, and the same with regard to butter. An effort has been made to show the farmers, particularly in the Maritime provinces from which I come, that they are being injured because there is not a greater duty on butter. I presume that the Americans have a higher customs duty on butter than we have, but we have the butter market well in hand, and the statement I have here covers only creamery butter and takes no account of the private dairy. We produced in 1922 $53,000,000 worth of butter, we imported only $1,000,000, we exported $5,000,000, and we took care of the home market completely.

I have listened to the hon. member for St. Lawrence-St. George (Mr. Marler) and other hon. gentlemen who tell us that a protective policy, with high customs duties, is of great advantage to the people of this part of the country, that is to the people of Ontario and to the western part of Quebec. A day or two ago I read in the Montreal Gazette an editorial commenting on a letter received from a farmer in the county of Middlesex stating that the home market was of very great advantage. I will take at their face value the statement of that newspaper, the statement of the hon. member for St. Lawrence-St. George and the statements of other hon. gentlemen who represent constituencies in the neighbourhood of Toronto and other Ontario cities, or constituencies in the neighbourhood of Montreal, and who tell us that the markets they find in those cities are a very great advantage to them. But I want in fairness to tell those hon. gentlemen that the men who profit by those home markets, by this protection, are the men who should bear the burden, I do not care how it is adjusted. I have no fault to find with any municipality, or city or province that wishes to bonus manufacturing industries. I think the people who profit by that system should pay the piper. What I object to is that

the people whom I represent, the people who live in the Maritime provinces, and particularly the people who live in Prince Edward Island, who never will, never did and never can benefit by those markets, should be called upon to pay their share of the cost of the music and the refreshments. The same is true with regard to western Canada. There is in my opinion no other country in the world where a system of protection could do less injury than in the country to the south of us, a compact country with every variety of climate, every variety of production. The people of that country could, if necessary, live and trade within themselves. On the other hand, there is no country in America, either north or south, and I doubt if there is a country in the world where protection will do as much harm as in the Dominion of Canada, because of our geographical position and because of the fact that our productions are very much of the same character in every province.

The farmers and fishermen of the Maritime provinces—I do not care what the transportation rates may be—cannot enter the markets of this part of Canada. Their natural market lies to the south, in the United States, or in the West Indian Islands, or in the island of Cuba, and very cogent and sensible observations, when we were discussing the Address in reply to the Speech from the Throne, were made by the hon. member for Cumberland (Mr. Logan) in regard to conditions that he found in the West Indian Islands. He found that Canada was not represented by any trade agent or trade commissioner; that no effort was made to get the products of the Maritime provinces introduced into that part of the world. There is nothing in my opinion that the Department of Trade and Commerce could do that would benefit the Maritime provinces more than to send a few properly experienced business men to the West Indian Islands and to the island of Cuba to introduce our products there, to speak to their business men as a business man could, to represent our conditions and to enable us to enter those markets. They want our goods and we want theirs. That is the way that the provinces by the sea could be benefited. The farmers in this part of Canada can take care of all their home market that is now or will be available here for decades to come.

About two and one-half years ago when the present government came into office, what was the condition of things in Canada? We were going into debt at the rate of about a hundred million dollars a year. The last year the Conservative party was in power, the increase in the public debt was $92,000,000, and if they had not taken advantage of the issue of bonds by the Canadian National Railways, which they say now should be charged to the consolidated revenue fund, their deficit that year would have been at least $117,000,000. At that time, there were in Canada many people who were alarmed at the fact that we were taking over the Canadian National Railways, this tremendous burden. No daylight was seen; but in the short space of two years, it has been clearly demonstrated that within two or three years from now the Canadian National Railways will be no longer a liability, but an asset, able to take care of all its fixed operating expenses and fixed charges, and that it will probably be earning a surplus which can be used for reducing transportation costs or paying the interest upon the money or, at least, a part of the money lent by the government.

In two years the present government has succeeded in making a balanced budget. Even taking the word of their opponents, even taking the criticism offered this afternoon by the hon. member for St. Lawrence-St. George, the fact remains that the budget has, at all events, been balanced. If you take the system of book-keeping that has been followed in this country since confederation, there is a reduction in the debt of twenty to thirty million dollars. For the first time since reductions were made by the former Liberal government, there is an actual reduction in taxation. Nobody would have predicted some two years ago that any government coming into power at that time, shouldering all the burdens that this government had to shoulder, with high taxation, an enormous debt and deficits going on from year to year, would be able to change all that within the short space of two years. Only to-day I read an editorial in the Montreal Gazette which no Canadian could read without a feeling of pride. I dare say almost every hon. member in this House has read it, but I will ask the House to bear with me while I quote a paragraph or two:

> The March returns of the foreign trade of Canada bring the statistics to the end of the fiscal year and permit of interesting comparisons. Not since 1921 has this commerce reached so large a value as in the last twelve months, a value far exceeding any pre-war period during which inflated prices far outran the quantity movement. The top figures are those of 1918, when Canada was shipping out great quantities of foodstuffs and munitions at high prices, and having regard to the reaction in prices it is satisfactory, not to say astonishing, to observe how quick the recovery has come. These are the figures:

	Imports	Exports
1915..	$587,439,000	$ 490,408,000
1918..	962,543,000	1,586,169,000
1922..	747,804,000	753,927,000
1923..	802,535,000	931,451,000
1924..	893,335,000	1,045,141,000

The article goes on to state that the trade of Canada is simply astonishing, and every

one must feel proud of the development that has taken place and the progress that is being made. These are the conditions at the present time, and we have much reason to be satisfied. The steps taken by the present government have not only given satisfaction to the members of this House but, I think, have proved that the government is pursuing a course calculated to serve the best interests of the country. That conviction is spreading throughout the country and I believe it is generally shared by our people all over the Dominion. I shall therefore be pleased to support the resolutions which will shortly come before the House in committee.

Mr. ROBERT MILNE (Neepawa): I have listened with a great deal of interest to the discussion of the budget during the last few days. My hon. friends to the right seem to be much concerned over the few reductions that have been made in the tariff and they have been painting gloomy pictures of the deplorable state in which our infant industries are struggling at the present time. These pictures portray the factories as in a condition that is compelling them to close, with consequent ruin and distress; and the pity of it all is, that what seems to affect our good friends most vitally is the fact that the agricultural people are losing their home markets. It is suggested that when the farmers lose these markets the agricultural industry will no longer be able to exist. These gentlemen appear to appreciate the importance of this industry and pretend to be greatly interested in its welfare. Now, they claim that a saving of three-quarters of a million dollars in the tariff will not amount to anything from the standpoint of the agricultural interests, and yet at the same time, strange to say, they want us to believe that the loss of this sum will absolutely put the manufacturing industries out of business in the Dominion. Let me inform them that the farmers are thankful for small mercies. I do not suppose that this amount of money represents much to the industries of the East, but it surely is a quite tidy sum in the eyes of the farmers to-day under existing conditions. The consternation that seized the minds of gentlemen of the Conservative party on the afternoon the budget was brought down appeared to be reflected to a rather remarkable extent in the infant industries in the remote parts of some of the provinces. It was reported that one industry at least had collapsed during that afternoon, and later in the week it was found that there was slight hope for its recovery. The calamity howling this year seems to be coming entirely from the other corner of the House; it is coming from those whom we have always regarded as Canadian statesmen, men who are directly interested in the welfare of Canada and not in any particular section or class of our people. I say, the blue ruin cry is coming entirely from that vicinity. The manufacturers themselves are raising the same cry, and the press of our country seems to be heralding these sad tidings I have heard of individuals spending a week in the city of Toronto on Sunday but it seems that some of our manufacturing friends have spent almost fifteen years within the short space of time since this budget came down. The Canadian Manufacturers' Association held a meeting in Toronto recently; it is astonishing how quickly the effect of the budget seems to have been brought about. I quote from the Montreal Gazette the following statements:

> Mr. Winslow, of the Canadian Ingersoll Rand Drill Company, Sherbrooke, said the budget, so far as his firm was concerned, read like a sheet of their catalogue with severe reductions on everything they made. For 30 years their firm had been one of the leading industries at Sherbrooke, and should employ in normal prosperous times about 1,000 hands. They were now employing about 350, with prospects of a speedy decrease.
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> "They had a powerful American connection in the Ingersoll Rand," and like other businesses we must get our products where we can get them cheapest, whether we manufacture in Sherbrooke or Philipsburg. With the reduction in duty on our output and no drawback on raw material it looks to me very much as though the rock drill industry in Canada is about to be closed down, because this budget hits us very hard.
>
> Sir Alexander Bertram said he had been in the manufacturing business for 50 years, largely selling machinery and tools to the agricultural machinery industry, but with many of their customers for the past 15 years they had not sold a tool, because of the decline of the industry.
>
> W. R. Granger, Montreal, said the alleged farmers of the West had organized politically, and he thought it time the C.M.A. stopped soft pedalling on politics, and turned to the loud pedal. He thought they ought to start work at once on this. and also on an educational propaganda, while he considered the proposed resolution quite too weak. "What we want to do," he argued. "is to get into as good a position as the Progressives have, so that we can have some weight in Parliament behind our demands." (Applause.)

The whole gist of the report seems to be that the trouble is altogether attributable to tariff reductions, especially to those which this budget will put into effect. I am giving these quotations merely to show the House the ignorance of the people who are discussing fiscal affairs. Further down I notice that Mr. Wilkins, of Farnham, argued:

> The political grain growers of the West were not farmers such as we have in the East, doing their grain mining by contract, and spending the winters in the south. This province consumes almost all its own agricultural products, and he believed 96 per cent of the Quebeckers were protectionists.

Last season while the special committee on Agriculture was sitting one of the witnesses made bold to assert that the farmers of the West should feed steers in the winter instead of going South and enjoying the warmer climate. When he was questioned closely as to how many western farmers he knew who spent their winters in the South—and he was a man who had had quite a broad experience throughout the Dominion—he admitted that he had heard of but one farmer who went South to escape the Canadian winter. We have heard a great deal about the peaceful rural population of Quebec. For many years I envied their contentment and prosperity—or rather the glowing accounts of it which I read from time to time. But I found on making an examination—and it is now a well-known fact—that the exodus of young native born Canadians from the province of Quebec is proportionately as great as from our other provinces. Consequently, I have come to the conclusion that although the Manufacturers' Association may have good intentions, they are very, very ill informed as to actual existing conditions.

Lately we have heard a good deal about our implement manufacturers being in sore straits, and we are led to believe that the whole trouble is due to their not having sufficient protection. On the other hand we have been told that the United States were building up a tariff wall higher than ever in order to stimulate their industries and create national prosperity. In this connection it is interesting to learn of the actual conditions on the other side, and therefore I quote the following from the Literary Digest:

> One organization that realizes to the full the extent of farm distress during the last two or three years is the National Association of Farm Equipment Manufacturers. The Manufacturers' Record, Baltimore, shows that the production in 1922 of farm implements was about one-third or one-half, and in some cases even less, of that in 1914.

Further on appears the following:

> According to the association's circular twenty of the leading companies have lost $50,000,000 in two years.

To emphasize that statement a table is given showing the actual production of a few of the principal agricultural implements in 1914 compared with the reduced production in 1922. I quote the following:

	1914	1922
Plows..	$1,335,104	$431,409
Corn cultivators..	378,934	89,633
Grain binders and headers..	215,386	41,458
Broadcast seeders..	106,018	46,889
Threshers..	13,548	8,885

I refrain from reading the full list. It is very long, but there has been practically the same proportionate reduction of output in regard to all farm implements. This shows quite conclusively that the manufacturers of agricultural implements in the United States are not in a prosperous condition, notwithstanding that they have a supposedly model tariff to stimulate industry.

During the recess we have been bombarded with literature asking for tariff protection. I do not want to spend time in discussing it, but I must frankly confess that the men who are directing some of our industries fall very low in my estimation if the type of letters they have been sending out is any indication of their executive ability. In all the circulars which have reached me there is a strong plea for protection and yet not one of these men will tell us the actual condition of his business. The general tone of the letters indicates an intention to raise prices. There is no apparent desire at all to lower the prices of their products the whole argument being that they must raise prices in order to continue in business. One sentence from such a circular letter will make this very clear. By the way the particular paragraph I am about to quote does not deal with the tariff, but with the sales tax, which the writer wants dropped on certain products of his factory. But this is the sentence:

> This sales tax will have the effect of curtailing consumption, thereby causing the manufacturer to again increase prices to meet his bills.

If we follow this through to its logical conclusion we find that eventually there will be no sales at all. By that time I feel convinced that the individuals who are responsible for this propaganda will have become exceedingly bold, and will be asking the government to subsidize them in order that they may pay their executives salaries from $25,000 to $30,000 presumably on the ground that they are consumers of agricultural products! I repeat, it is unfortunate that throughout all this special pleading for protection there is not one instance of these men attempting to show the actual necessity of protection for their particular business.

Last session several industrial managers appeared before the special committee on Agriculture. We had before us the manager of the Massey-Harris Company. Now, I hold no grudge against the Massey-Harris Company; I wish them every success. But if they need protection, why were they so slow, why did they not give the committee the facts as to how their capital stock was made up and what their profits and dividends had been over a period of years? These things were

kept almost entirely in the dark. The closest we got to it was the information elicited from one witness that between 1913 and 1920 the capital stock had been augmented by $4,000,000 and that of this amount only about $160,000 was new capital. If that kind of thing is going on it is no wonder they are not able to pay dividends.

We had before us another witness, the manager, I think it was, of the Canadian Ford Company. They were very frank in their statements. I shall not weary the House with a statement of the whole financial standing of the company, but I should like to give an example of how an investment in ten shares amounting to $1,000, made in 1907, had increased in 1923 to a value of $310,010. During that period this $1,000 invested, as I say, in 1907, had paid a cash dividend of $32,810 and had increased in stock to the amount of 560 shares, worth at that time $270,200, making the total I have mentioned, $310,010. That, it seems to me was a pretty good investment.

I noticed in Saturday Night a few weeks ago a report with regard to one of our industries, Canadian Steel. I will read a few extracts from this report just to give you an idea of the peculiar circumstances pertaining to that company. The report says:

> The annual report for the year ending December 31, 1923, demonstrates that the Steel Company of Canada is once more on the upgrade in earnings. It won its way into a very enviable position during the war as evidenced by the fact that the profit and loss surplus, which stood at $3,014,642 at the end of 1915, had become $8,740,966 at the end of 1920 in spite of the fact that it paid in every subsequent year dividends on both preferred and common stocks, seven per cent on the preferred and four, six and seven per cent progressively on the common, the latter figure having been maintained since 1919. The huge surplus mentioned was shaved a little in 1921 and 1922 decreasing respectively to $8,298,517 and $7,942,372. But 1923 earning results showed a balance of $627,875.40, after paying all expenses and fixed charges and making the ample provisions considered necessary for various sinking funds and reserves, and this sent the profit and loss surplus once more skiting up to $8,570,247.75. This means an entire recovery of the ground lost in 1921 and 1922 and brings the surplus up within hail of the high point achieved in 1920. Another year like 1923, and it will be in a position unexampled for strength in its own line in Canada.
>
> Add to this its various reserves, standing as follows: furnace relining and rebuilding reserves, $792,972.68; reserves for accidents to employees, $84,811.82; contingent reserve, $546,667.23; betterment and replacement reserve, $1,885,953.82; fire insurance reserve, $200,000; bond and sinking fund reserve, $1,737,748.92; and depreciation account, $7,048,508.28, making a total of $12,296,662.75. At the end of 1915 these reserve funds only totalled $1,257,811.

Further on it speaks of paying off some other liabilities as they came due. From that I think you will see that the industry is not suffering very much so far as profits are concerned.

A few years ago some of us heard of an industry that had been built up not for the glory of God but for the profits of the shareholders, and it was declared that that industry had in 1918 made a profit of 291 per cent. That is just an example of the condition of some of the industries that are asking for protection. Some of our industries may not be in a very good position. I am not going to say whether they are or whether they are not, because they have not given full information with respect to the actual conditions as they exist. In this connection I do not see why I should not offer a few suggestions to our manufacturing friends, because they are not backward in offering suggestions to the agriculturists, and I think I can say without boasting that I am probably just as well fitted to give a little advice to our manufacturing friends as some of them are to advise the agriculturists. We had before our committee last year an analysis of the cost of a binder. The costs of material, wages, and so on, were considered separately, and a comparison was made between the costs in 1913 and those in 1922. I will just read the figures; they are very interesting.

	1913	1922
Material	$45.55	$86.21
Wages	25.10	56.77
Factory expenses	5.51	26.55
Administration	5.10	38.65
Freight	23.91	34.69
Distribution	29.41	63.15
Branch departments	29.41	47.31

That shows a total of $359.99 for 1922 as against $163.99 for 1913. The thing that strikes me there is that the factory expenses and administration have increased beyond all proportions. We are usually told that it is labour that is keeping the price of our implements up, but we find here that the factory expenses and administration have enormously increased. I submit that there is just as much reason for the practice of economy on the part of the manufacturers, as well as the study of more economical production, as there is on the part of the agriculturists.

I have been looking over a report with respect to the pulp and paper industry prepared by the Department of Trade and Commerce, and a startling thing to me is the number of officers and superintendents, and the amount of money that goes to them in salaries. The number of officers and superintendents amounts to one sixtieth of the total number of employees, and they draw one-eleventh of the total wages. It looks to me

as if that was rather out of proportion. In addition to the officers and superintendents there are technical experts and clerk stenographers whom I put in along with the common labourer, and it looks as if there was room for some paring in officers and superintendents. I do not wish to leave a wrong impression. I am absolutely in favour of a man drawing a salary in proportion to his ability. I am not one of those who think that every one should be paid the same wage or salary, but I am of the opinion that many of our industries are loaded down with officers who are not much more than parasites.

In looking over another return from the same source, prepared by the Department of Trade and Commerce, I find that in the hosiery and knitted goods industry the number of employees on salary has increased from the year 1920 to 1921 by 20 per cent, whereas the number of wage earners has increased by only 7 per cent. As I said before, I do not know the reason for that, and I am not able to go any further, but it seems to me that the management cannot be as efficient as it might be. Another place where a good deal of work needs to be done, and it should be done by our friends, is in the matter of distribution. The present system is extremely costly and inefficient. I believe there are millions spent on advertising that is an absolute waste, and in that connection I want to read just a short extract from the evidence of a witness who was before the committee last year, a manufacturer who lives very close to this city. Speaking of a report by Congressman Anderson he said:

My view is and it was before I read this, that the retailer has to a certain extent lost his function, and I am going to make another statement that I know will be challenged outside of here, if it should receive any publicity, that is that one of the tremendous economic ills of this country and of the United States as well, is national advertising. There are hundreds of millions of dollars spent in advertising for which there is no economic return. I contend I have studied the question, and that advertising is an advantage to the advertiser. He makes money out of it. It pays to advertise and it pays the medium of advertising. While I am on that, I would say it has enabled the newspapers to pay more for their editors and employees, and it may be a good thing for the newspaper.

That is what Mr. Sparks says about advertising, and I agree with him heartily. I maintain that our industries have a great big field to work in so far as a more economic distribution of their goods is concerned. I do not confine that to the manufacturing industry at all, for the same thing applies to our agricultural products, which are not in my opinion marketed in an efficient manner. We had our attention drawn last year to the fact that apples for which the producer received $4 a barrel were retailed at the equivalent of $27 a barrel, and many similar instances were given. We found that the farmer who was milking his cows twice daily got five cents a bottle for his milk, while the distributor in the city got six and a half cents. That seems to me altogether out of all proportion.

There is just one other thing I want to say by way of advice to the manufacturer. Let me suggest that you apply the same remedy to manufacturers as you recommend for agriculturists. If you are not making a profit out of the product of your factory, you are not making the right product; that is what they tell the farmers. If you cannot make any money turning out baby carriages, make automobiles. If you cannot make a profit manufacturing wagons, make sleighs. That may sound ridiculous, but it is just about as sensible and reasonable as the advice that is given to the farmer from certain sources. I want to say that it is quite impossible for a farmer who has been making a specialty of growing grain to turn round immediately and produce dairy products profitably. There is a real art in dairying if you are going to make a success of it, and the same is true of poultry. A man who is a good dairyman may not be able to make any money out of poultry. It is quite impossible for a farmer to immediately swing around from one type of farming to another successfully. It is almost as impracticable as to expect a manufacturer to turn from making baby carriages and make a success of manufacturing automobiles.

Mr. CLARK: They grow grain, and raise poultry, cows, and so forth in Ontario. How do they manage to do it?

Mr. MILNE: If the hon. gentleman will have a little patience, I am coming to that. From his question I would judge that he shares the same opinion as many others—

Mr. CLARK: I have not expressed an opinion; I am asking for information.

Mr. MILNE: I said, I should judge from his question. I would like to give a quotation from the Agriculturist Gazette which is published in Ottawa by the Agricultural department. There seems to be a general impression that the farmers of the West are merely wheat growers or wheat miners as they are called. The impression is not well founded, and I think this quotation will perhaps serve to prove that as well as anything I know of.

In the provinces of Manitoba, Saskatchewan and Alberta the dairy industry has developed since 1910 in a remarkable manner. The output of creamery butter having increased from 4,161,947 pounds, valued at $459,254 in 1910, to 28,619,641 pounds, valued at $10,348,762 in 1921 A further increase in 1922 over 1921

is recorded as follows: In Manitoba 23.5 per cent, Saskatchewan 25 per cent and Alberta 20 per cent.

I should think that would indicate that the agricultural people, even in the western provinces, were doing pretty well. What are the conditions that are confronting agriculture today? It seems to me, Mr. Speaker, that there is no use in trying to delude ourselves in regard to actual conditions. We have heard much about the big crops that were produced in western Canada this year. We are told of the tremendous volume pouring into the ports and being exported from the country. But let us analyse this matter as far as the farmers are concerned. The total field crop production for 1923 was $892,572,300, in 1922 it was $962,616,200 and in 1921 it was $931,862,670. Hon. members will see that it is decreasing right along. Let us analyse it a little bit further. Take the commodity of wheat. We find that the production of wheat increased last year by a considerable amount. The production of wheat last year was estimated at a little over 474,000,000 bushels as against 399,000,000 bushels for the previous year. I have the figures for oats, barley and flax but I will not weary the House with them except to say that all down the line we have increased production in 1923 over 1922, but the value of our total production showed that it had decreased. It is decreasing right along. So far as the farmer is concerned, he is surely doing his part in producing the goods. These figures refer to field crops.

Now coming to diversified farming, I will deal first with the commodity of bacon. I took these figures from the Trade and Commerce reports ending March, 1923, so that when I say 1923 it is really not for the calendar year 1923. The amount of bacon exported in 1922 amounted to 992,080 hundredweight, and in 1923 it was 1,015,901 hundredweight. Hon. gentlemen will notice that there was an increase in the amount, but when we come to the value in 1922 it was $23,012,480 and in 1923 it was $22,536,397. Then the live cattle exported in 1922 amounted to 161,483 head and in 1923 to 229,080 head. That showed an increase in the export of live cattle of 42 per cent. The value of our exports in 1922 was $7,852,111, and in 1923, $8,738,243, or an increase in the value of only 11 per cent. In the commodity of butter we show an increase of 260 per cent in volume and 255 per cent in the returns. In the matter of cheese we have a decrease of 85 per cent in volume and 82 per cent in returns. Now if we sum up the whole agricultural industry as it is summed up in the agricultural statistical bulletin we find that we have a total value for agriculture—lands, buildings and so on—of $6,744,000,000 and we find that the gross revenue was $1,420,000,000. These figures are so large that it is almost impossible to grasp their meaning. According to the last census returns we had 798,360 farmers in Canada. We divide our gross revenue and find out what each farmer gets, and it amounts to about $1,700 per farm. It was estimated that the taxes, Dominion, federal, provincial and municipal amounted to about $100 per individual, with an average family of five, so that it would make $500 of a tax bill to start with. Now if we take the depreciation on the implements and buildings, we find that there is a depreciation of 10 per cent on implements and buildings, which I think is very fair. We have $142,737,000 of a depreciation there. If we allow 5 per cent on the total capital investment, that amounts to another $338,723,000. If we divide this for each farm we find an added cost again of about $600. So that if we take our interest and depreciation of $600 and taxes $500 we find we have about $600 per farm left. Out of that the farmer has to pay his hired help and buy his machinery, twine, and so on. That is the actual condition, I believe, so far as agriculture is concerned.

While our products increased in quantity, yet there was a decrease all along the line in value. Everybody is anxious to help the agricultural industry, and everybody is watching it. The manufacturers, the bankers, the railroads, the governments and every financial interest in the Dominion during the summer have their fingers on the pulse of agriculture and a continuous study is being made of conditions. They realize the fact that a big crop or good returns means prosperity to them as well. I wonder if my hon. friends who are asking for protection sincerely believe that we in Canada must wait until our industries will build up so as to provide a home market for our agricultural products. I used to wonder why the buffalo were brought to the park at Wainwright and left at the edge of the prairie, and I have just come to the conclusion that the idea was to turn them loose and let them roam up there when the western provinces are again depleted of the population that is there at the present time. That will be necessary, and a long period will intervene before we need to use those lands again if we have to wait for home markets for our agricultural products.

As regards the home market and the prices of our agricultural products, that does not amount to a hill of beans. We find that the butter market at Montreal, which, I under-

stand, is regulated by the export market, is the determining factor of the price of our dairy products. We find that the price of our wheat and other grain is determined by the price of grain at Liverpool. I cannot see why we agriculturists should be fooled by waiting for and expecting great prosperity when we get a huge industrial Canada that will consume more of our products. What has been done that will benefit agriculture, that primary industry which produces nearly one-half of our total exports? What has been done that will make it more prosperous? Last year I think we had a modest prayer from the Minister of Finance (Mr. Fielding) in which he remarked that if we had a good crop, the West would be prosperous again. The West had one good crop last year; nobody can dispute the fact that we had a big crop, and yet conditions are apparently not very much better. We also had a kick in the ribs from the ex-Minister of Agriculture (Mr. Tolmie), who said that if farmers improved production by improving herds, they could pay the duty on their agricultural implements. That was the sympathy he gave. A little further on in his speech he was speaking of conditions and the time when pea fed hogs were sold for 2½ cents a pound. He said:

> I venture to think that these conditions produced better citizenship than are produced to-day by all the spoon feeding done by federal, provincial and municipal governments.

I have been trying to appreciate what he meant and what he was getting at, but for the life of me I cannot understand when the farmers have been spoon fed. Spoon feeding is the very thing we are trying to get away from. Our industries have been spoon fed for the last forty years and they are taking it well yet. Why remarks like that should be directed at agriculturists is beyond my comprehension. There seems to be an impression in eastern Canada that when a delegation from one of the eastern provinces appears at Ottawa asking for something, they are demanding simply their rights, whereas, when a western deputation appears, it is trying to grab off something at the expense of the remainder of the country. This, it seems to me, is a peculiar attitude to take. We are told by a good many that we are blind; that protection is not the cause of all our troubles. We do not for a moment think that protection is the cause of all our troubles. We are different from our protectionist friends in that respect. They think, if they lose their protection, they are absolutely lost; that there is nothing that hurts them but the lowering of duties.

The solution to our problems, it seems to me, lies in two sources. I am not one of those who believe that the government can

bring about prosperous times over night or in a year or in a couple of years. I am not one of those who believe that the agriculturists should lie down on their oars and not try to help themselves. Both have an important part to fill, and I am not going to deal here with the part that the agriculturists themselves have to play. We have to have cheaper production, and the farmer can do something towards helping that situation himself by improving his methods and so on as best he possibly can. The government can help us in that respect by lowering the tariff and giving us cheaper implements of production and cheaper equipment to carry on our industry with.

We also need cheaper transportation. At the present time, it costs about 33 per cent of the value of a steer to take him from Saskatoon to the Liverpool market. Thirty-three per cent of the value of a steer is used up in transportation. We must do everything we possibly can to bring about lower freight rates. We must develop our ocean ports at the most strategical points. I think in this regard I might mention the Hudson Bay railway which the West is asking for, and I notice, from a report in the paper the other day, that the ex-Premier of Manitoba stated that he believed 95 per cent of the western people were behind him in the belief that the Hudson Bay route was feasible and that it should be given a trial. With the vast amount of money that has been spent there already and the small amount that it will take to give it a trial, it seems to me that it should be tried out. When I suggest development along those lines, I do not mean to develop politically; I do not mean to build elevators where there is no grain to ship; I do not mean to build dry docks where there are no boats to dock. I think conditions are more serious at this time than they ever were in the history of our Dominion and they should be given earnest consideration. In particular, freight rates have been unreasonably high, and yet Canadian shippers are protected by coastal regulations. We find that our products are being discriminated against in ocean transportation. We appear to find ourselves somewhat helpless in this matter, but I do not see why we should not keep up a vigorous howl until we get redress along that line too. It is unreasonable to expect that the Canadian farmer can pay more for taking his goods to the British market than his friend the American farmer. Why should two sacks of flour in the same hold bear a different rate while they are crossing the Atlantic ocean? That seems to me to be extremely ridiculous.

I intended to deal somewhat with rural credits. It is too late, I am afraid, to save a number of our farmers. Many of our farmers to-day are bankrupt, and the only thing left is to assist them through the bankruptcy court and then to turn around and give them the assistance which new immigrants into our country are receiving. Then they will have a new start. They will know the conditions and they will make much better progress than will new immigrants that come in.

We have another class of farmers who are apparently still solvent, but whose credit is exhausted. I do not know what we can do with those, but I certainly think that the government made a big mistake when they practised economy on the Agricultural Instruction Act. These are the people who could be helped in this way by putting men in the field and enabling them to change their system wherever it was possible to do so. If this were done the morale of these people could be stimulated to such an extent that in a great many instances they would do considerably better. Then we have others who still have a little credit left. I am pretty well convinced that if conditions continue as they are at present our farmers' credit will soon have been exhausted; certainly they cannot continue paying 8 to 10 per cent interest on their money. If the government can borrow money at 5 per cent, I see no reason why the farmer should have to pay between 8 and 10 per cent. I know what the argument is: It is contended that there is a risk in lending money to the farmer and consequently the rate must be increased. But that strikes me as a most absurd argument, because the higher the rate the greater the risk must be. Where will you stop? At present the farmers of western Canada are making an heroic effort to launch one of the greatest marketing schemes ever undertaken and I think the government would be well advised to assist them to the extent of giving back to those provinces the money that rightfully belongs to them in order that they may be able to carry on this work that they have begun. I refer to the money left by the Wheat Board of 1919. They are trying to help themselves, but they are handicapped through lack of finances, notwithstanding that their own money is lying in the treasury here and is refused them.

The establishment of agriculture on a sound basis is to my mind a truly national problem. We were never before in such a serious condition as we are in at the present time, and the time has come when every one should cast aside political prejudices so that all might sit around the table in co-operation. The manufacturers, the farmers, the lumbermen and the representatives of all other industries in the country should get together in an effort to solve this great problem. This country, I think, is undertaking a tremendous experiment in connection with agriculture. We heard a great deal yesterday from the hon. member for Fort William and Rainy River (Mr. Manion) in regard to the development that has taken place in highly protected countries. But the hon. gentleman did not tell us anything about the peasantry in those countries. The Dominion of Canada and the United States are engaged in one of the biggest experiments known to history, and we are trying to carry on agriculture without any such peasantry. Agriculture is one of the noblest callings that a man can follow, and there is no reason why we should be ashamed of it. There is no reason why we should have to adopt any low standard of living. The farmers of this country and of the country to the south of us are determined to improve the conditions of agriculture and they will not tolerate any standard of living below that to which they are justly entitled. They are going to make agriculture an industry that they may be proud of. The experiment, I say, is a tremendous one, and I hope sincerely that our protectionist friends will not follow the example of other countries and throw upon our agricultural people such burdens as will impoverish them and make a peasant race of this fair Canada of ours.

On motion of Mr. Clark the debate was adjourned.

On motion of Mr. Graham the House adjourned at 11.25 p.m.

Wednesday, April 30, 1924

The House met at three o'clock.

MARINE AND FISHERIES COMMITTEE

Mr. WILLIAM DUFF (Lunenburg) presented the first report of the select standing committee on Marine and Fisheries.

UNITED CHURCH OF CANADA

Mr. E. R. E. CHEVRIER (Ottawa): I desire to present the following petitions: petition signed by Wm. J. Kerr, elder of the

North Georgetown Presbyterian church in the province of Quebec and 237 others, the petition of James Cullen, Mayor of Riverfield and Howick, in the province of Quebec, and 177 others, and the petition of the Presbyterian Church Association of Ottawa, representing 1,900 members and adherents, protesting against the passing of Bill No. 47, to incorporate the United Church of Canada.

Mr. W. G. MITCHELL (St. Antoine): I desire to present the petition of members of Erskine Presbyterian church, Montreal, protesting against the Church Union bill; also the petition of members and adherents of St. Giles Presbyterian church, Outremont, Quebec, protesting against the Church Union bill.

Mr. W. F. KAY (Missisquoi): I desire to present a petition signed by certain officials, members and adherents of the Methodist church at Farnham, praying for the incorporation of the United Church of Canada.

Mr. G. C. WILSON (Wentworth): I desire to present a petition signed by Bessie M. Telfer and 556 others of the Presbyterian church at Paris, Ontario, protesting against the Church Union bill.

Mr. G. A. BRETHEN (East Peterborough): I beg to present the following petitions: petition signed by James Dutton and others of St. Paul's Presbyterian church, Peterborough, Ont., protesting against the passing of the proposed Church Union legislation; also a petition signed by certain officials, members and adherents of the Methodist church at Havelock, also petition signed by certain members and adherents of the Presbyterian and Methodist churches of Peterborough praying for the incorporation of the United Church of Canada.

Mr. J. E. FONTAINE (Hull): I beg to present resolution passed unanimously by the quarterly official board of the Chelsea circuit in favour of the Church Union bill.

Mr. HUGH C. McKILLOP (West Elgin): I beg to present petition signed by George Geddes and other members and adherents of Knox Presbyterian church, St. Thomas, Ontario, protesting against the passing of the proposed Church Union legislation.

Mr. PAUL MERCIER (Westmount-St. Henri): I beg to present petition signed by certain members and adherents of the Kensington Presbyterian church, protesting against the Church Union bill.

Mr. CLEMENT ROBITAILLE (Maisonneuve): I beg to present petition signed by certain members and adherents of the Pointe aux Trembles College of the Presbyterian Church in Canada protesting against the Church Union bill.

Mr. R. M. GENDRON (Wright): I beg to present petition signed by certain officials of the Methodist churches in the townships of Wakefield, Masham and Hull in the county of Wright in favour of the Church Union legislation.

Mr. J. F. WHITE (London): I beg to present petition signed by J. Kingsborough and 28 others of the session, managing board and members of St. George's Presbyterian church, London, protesting against the Church Union bill.

Mr. JAMES MALCOLM (North Bruce): I beg to present the following petitions protesting against the Church Union bill: Petition signed by certain members and adherents of St. Paul's Presbyterian church, Wiarton; petition signed by certain members and adherents of St. Andrew's Presbyterian church, Southampton; petition signed by certain members and adherents of Ashfield Presbyterian church, Lucknow, and petition signed by certain members and adherents of Knox Presbyterian church, Kincardine.

Hon. CHARLES STEWART (Minister of the Interior): I beg to present a petition from members of the united congregations at Vars, Navan and North Russell of the Presbyterian and Methodist churches praying for the incorporation of the United Church of Canada during the present session of parliament.

Mr. L. P. BANCROFT (Selkirk): I beg to present a resolution from the congregation of Balmoral church praying for the incorporation of the United Church of Canada.

Hon. A. B. COPP (Secretary of State): I beg to present a petition from members of the congregation of the Methodist church at Malden asking for the incorporation of the United Church of Canada.

Mr. J. J. THURSTON (Victoria): I beg to present a petition signed by a number of members and adherents of the congregation of St. Andrews Presbyterian church, Eldon Station, Ontario, protesting against the Church Union bill.

Mr. WILLIAM ELLIOTT (Waterloo): I beg to submit a petition signed by Thomas Ballantine and others of the congregation of Knox Presbyterian church of Preston, Ontario, and a petition from J. K. Fraser and others of Knox Presbyterian church, Galt, Ontario, both protesting against the Church Union bill.

HOME BANK

Mr. NEIL McTAGGART (Maple Creek): I desire to present a petition signed by certain depositors in the Home Bank praying that they be indemnified.

Mr. J. S. WOODSWORTH (Centre Winnipeg): I beg leave to present a petition from 500 depositors of the Home Bank in St. James, Manitoba, asking for reimbursement.

BUDGET AMENDMENTS

CUSTOMS TARIFF AND SPECIAL WAR REVENUE—RESOLUTIONS

Hon. J. A. ROBB (Acting Minister of Finance): I beg to submit, Mr. Speaker, certain resolutions, affecting the customs duties and special war revenue.

Sir HENRY DRAYTON: Is that an amplification of the budget?

The resolutions presented by Mr. Robb are as follows:

CUSTOMS TARIFF

1. That Resolution No. 3 of April 10th, 1924, relating to amendments to schedule A to The Customs Tariff 1907, be amended by adding thereto the following provision:

That tariff item 456, the enumerations of goods and the several rates of duties of Customs set opposite said item be struck out of said schedule A and that the following items, enumerations and rates of duty be inserted in said Schedule A:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
456	Ingot moulds, n.o.p.; glass moulds of metal.....	5 p.c.	7½ p.c.	10 p.c.
456a	Ingot moulds for use in the production of steel.....	Free.	5 p.c.	7½ p.c.
460c	Articles of metal when for use exclusively in smelting of iron ore or in metallurgical operations, that is to say:—machinery and apparatus for sintering or nodulizing iron ore or dust containing iron; machinery and apparatus for use exclusively in the construction, equipment or repairs of a blast furnace for smelting iron ore, such machinery or apparatus to be used exclusively between the blowing engines up to and including the hoisting apparatus at the skip hoist, and up to and including the point where the metal and slag are discharged from the furnace including foundations; and integral parts of all machinery and apparatus enumerated in this item, not to include valves, wrought iron pipe eight inches and under in diameter, nor structural iron work.....	Free.	5 p.c.	5 p.c.
460d	Machinery and apparatus of a class or kind not made in Canada for use exclusively in handling iron ore and other materials to be charged into a blast furnace, from the dock, car or stock pile, at the iron or steel plant.....	Free.	Free.	Free.
502c	Wood handles or stems for handles, not further finished than turned, when imported by manufacturers of shovels for use exclusively in the manufacture of shovels.....	Free.	Free.	Free.
590b	Racing shells when imported by a bona fide Amateur Rowing Club in Canada for use exclusively by such Club.....	5 p.c.	25 p.c.	25 p.c.

2. That said Resolution be amended by striking out tariff items 445a, 445b, 533b, the several enumerations of goods respectively and the several rates of duties of customs, set opposite each of said items, if any, and by substituting therefor the following items, enumerations and rates of duty:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
445a	Articles which enter into the cost of the manufacture of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591, when imported by manufacturers of such goods for use only in the manufacture of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591. Provided that goods which are entitled to free entry or a lower rate of duty than is mentioned in this item shall not be entered at the rate specified in this item.....	5 p.c.	6 p.c.	6 p.c.
445b	Rolled iron, rolled steel and pig iron when imported for use exclusively by manufacturers in their own factories in the manufacture of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591..	Free.	Free.	Free.
533b	Linters of short fibres of cotton, bleached, when imported by manufacturers of paper to be used only in their own factories for the manufacture of blotting paper or other grades of paper.....	7½ p.c.	10 p.c.	12½ p.c.

3. That Resolution No. 4 of April 10th, 1924, relating to amendments to Schedule B to The Customs Tariff, 1907, be amended by providing that the following items, enumerations and rate of drawback of customs duties be inserted in said Schedule B:

Tariff Item	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
1042	Materials, including all parts.....	When entering into the cost of cyanide of potassium and cyanide of sodium.....	99 p.c.
1043	Materials, including all parts.....	Which entered into the cost of goods enumerated in tariff items 445, 446, 446b, 447b, 448 and 591, on hand or in process of manufacture, in possession of the manufacturer and unsold, on the tenth day of April, 1924. Provided that drawback payable under this item is in lieu of drawback payable under any other tariff item.	99 p.c.

SPECIAL WAR REVENUE

1. Resolved, that it is expedient to introduce a measure to amend subsection one of section nineteen BBB of The Special War Revenue Act, 1915, by providing that in computing the value of imported matches and of imported playing cards, the amount of the Excise Taxes imposed by Part three Section sixteen A of the said Act and Part four Section nineteen BB of the said Act shall be included in the value of such goods for purposes of this Act.

2. Resolved, that the resolution of April 10th, 1924, relating to amendments to The Special War Revenue Act, 1915, be amended by striking out resolution number two and substituting therefor the following:

2. Resolved, that it is expedient to introduce a measure to amend The Special War Revenue Act, 1915, and amending acts, by providing that the following goods shall be exempt from the consumption or sales tax imposed by section nineteen BBB of the said act, that is to say:—books enumerated in Customs Tariff items 173 and 175; printed text-books authorized by the Department of Education of any province in Canada; goods enumerated in Customs Tariff items 45, 46, 64, 209b, 219a, dry preparations used for the same purpose as goods enumerated in item 219a, 281, 281a, 352a, 410, 410a, 445, 445a, 445b, 446, 446b, 447b, 448, 449, 450, 453b, 453c, 456a, 460, 460a, 460b, 460c, 460d, 461, 461a, 466, 466a, 469 including goods enumerated in this item of a class or kind made in Canada, 506a, 544, 591, 591a, 663b, 666, 667, 696; tubing enumerated in Customs Tariff item 1017; insulin; extract of rennet; poultry feed; ice cream; rice, cleaned; Macaroni and vermicelli; meats, salted or smoked; carbolic or heavy oil, to be used only in creosoting logs and round unmanufactured timber; cream separators and parts thereof;

cars and other similar appliances for use exclusively at a mine or a quarry for mining or quarrying; articles and materials to be used exclusively in the manufacture of goods enumerated in Customs Tariff items 219a, dry preparations used for the same purpose as goods enumerated in item 219a, 281, 281a, 410, 410a, 445, 445a, 445b, 446, 446b, 447b, 448, 449, 450, 453b, 453c, 456a, 460, 460a, 460b, 460c, 460d, 461, 461a, 466, 466a, 469 including goods enumerated in this item of a class or kind made in Canada, 506a, 544, 591, 591a, 663, 663a, 663b, 666, 667, 696; tubing enumerated in Customs Tariff item 1017; articles and materials to be used exclusively in the manufacture of cars and other similar appliances for use exclusively at a quarry for mining or quarrying; articles and materials to be used exclusively in the manufacture of cream separators and parts thereof; materials, not to include plant equipment, consumed in process of manufacture or production, which enter directly into the cost of goods subject to the consumption or sales tax, manufactured or produced by a licensed manufacturer or producer; 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 281, 281a, 410, 410a, 445, 445a, 445b, 446, 446b, 447b, 448, 449, 450, 453b, 453c, 456a, 460, 460a, 460b, 460c, 460d, 461, 461a, 466, 466a, 469 including goods enumerated in this item of a class or kind made in Canada, 506a, 544, 591, 591a, 663, 663a, 663b, 666, 667, 696; tubing enumerated in Customs Tariff item 1017; and by providing that on the following goods there shall be imposed, levied and collected only fifty per cent of the said consumption or sales tax, that is to say:—boots and shoes, including rubber footwear; biscuits of all kinds; goods enumerated in Customs tariff items 86, 105 and 106; creosoted railroad ties.

3. Resolved, that it is expedient to introduce a measure to amend subsection seven of section nineteen BBB of The Special War Revenue Act, 1915, by providing that any bona fide wholesaler or jobber may be granted an annual license for the purposes of the said section and that the license of any wholesaler or jobber who contravenes any requirements of the said section shall be cancelled forthwith and shall not be restored within a period of two years after the date of cancellation.

4. Resolved, that any enactment founded on the foregoing resolution number two shall be deemed to have come into force on the eleventh day of April, one thousand nine hundred and twenty-four, and to have applied to all goods mentioned in the said resolution 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.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INLAND REVENUE EMPLOYEES

Mr. IRVINE:

1. What is the name or names of person or persons, employed by the Canadian government who inspect (a) bank notes; (b) postage stamps; (c) tobacco, cigar and cigarette stamps; (d) inland revenue stamps; (e) wine and liquor stamps; (f) bonds?

2. What are the qualifications for such a position or positions?

3. What is the salary?

4. Are the present occupant or occupants of the position qualified as plate printers or engravers?

5. Did the present occupant or occupants pass an examination prior to appointment?

6. Is Canadian paper used in the printing of Canadian currency, stamps, labels and bonds?

7. What sums were paid the American Bank Note Company, Limited, during the year 1923?

8. What sums were paid the Canadian Bank Note Company, Limited, during the year 1923?

Hon. Mr. COPP:

Department of Customs and Excise—

1. (c), (d), (e) P. L. Smyth.

2. Thorough knowledge of the provisions of the Inland Revenue Act and Special War Revenue Act and regulations thereunder as affecting such matters. Experience, accuracy and integrity.

3. $2,100.

4. No.

5. No.

6. Yes.

1. (a), (b), (f), 7 and 8. Do not refer to this department.

Department of Finance—

1. (a) Bank notes are printed for and by order of various banks.

1. (f), 2, 3, 4 and 5. Bonds are inspected by competent employees of the Department of Finance before issue.

6. As to currency, no; as to bonds, in part.

7. None.

8. $649,152.51.

Post Office Department—

1, 2, 3, 4, 5, (b). Inspected by competent employees of Post Office Department before issue.

6. (b) Yes.

7. (b) $19,055.13.

8. (b) $199,834.53.

Department of Trade and Commerce—

1, 2, 3, 4, 5, 6. No information.

7. $185.

8. No information.

TERMINAL ELEVATORS

Mr. GARDINER:

1. How many terminal elevators are owned by the Dominion government?

2. Are any of these terminals leased?

3. If so, to whom?

4. On what terms?

5. For what length of time?

Hon. Mr. COPP:

1. Eight.

2. No.

3, 4 and 5. Answered by No. 2.

SOLDIERS' CIVIL RE-ESTABLISHMENT

Mr. COOTE:

1. What was the total number of employees and what was the total amount of wages paid in the Stores branch of the Department of Soldiers' Civil Re-establishment in each year since the formation of that department?

2. What was the cost of stores purchased each year?

3. Were these stores purchased by tender? If not, in what manner were purchases made?

Hon. Mr. BELAND:

1. The organization of the department does not contain a "Stores Branch." There is a subdivision of the Administration Branch known as the Purchasing and Stores Division which is responsible for all purchases, the receipt, distribution and custody of supplies and equipment, and for the disposal of surplus stores. It consists of the following:

As at March 31st.	Staff	Salaries
(a) 1918.	The Department was established 21st February, 1918, to take over the work of the Invalided Soldiers' Commission. Available statistics do not show the distribution of the staff by subdivisions as at 31st of March, 1918.	
(b) 1919.	109	$113,435.00
(c) 1920.	221	232,997.00
(d) 1921.	259	321,708.00
(e) 1922.	172	219,440.00
(f) 1923.	110	139,464.00
(g) 1924.	92	119,228.00

2. The volume of stores handled during each year was as follows:

Fiscal year ending March 31st	Purchase of stores including supplies and equipment	Value of equipment and stores disposed of as surplus
(a) 1919.	$1,807,461.24	
(b) 1920.	3,001,088.51	
(c) 1921.	2,062,916.31	$438,159.22
(d) 1922.	1,229,796.29	1,288,635.24
(e) 1923.	1,117,135.20	276,189.23
(f) 1924.	836,368.50	205,246.36

3. Yes.

HUDSON BAY RAILWAY

Mr. TOBIN:

1. What was the total cost of the Hudson Bay railway on the 31st March, 1924?

2. How much money did the government receive from the sale of lands, the proceeds of which were to apply to the construction of the said railway?

3. What will be the probable cost to finish the said road?

4. Are there any other available lands which could be sold in the said territory, the proceeds of which could be applied to finish this road?

Hon. Mr. COPP:

1. $14,459,941.26, capital expenditure to March 31, 1923. Expenditure to March 31, 1924, is not yet available.

[Mr. Coote.]

2. There was no specific authority under the Dominion Lands Act, 1908, for the sale of land for the purpose of Hudson Bay railway construction, but pre-emptions and purchased homesteads were sold under the provisions of the said Act. The net amount collected on account of pre-emption sales up to March 31, 1924, was $15,984,134.89, from purchased homesteads, $3,146,421.84, a total of $19,130,556.73.

3. $6,250,000 (estimate) exclusive of terminals or harbour developments.

4. By Order in Council of the 16th March, effective 20th March, 1918, P.C. 651, pre-emption and purchased homestead provisions of Dominion Lands Act were suspended and these provisions were subsequently deleted from the Act by the amendment of 1918, Chapter 19, Section 28.

No. 1. ELEVATOR—VANCOUVER

Mr. COOTE:

1. What was the cost of the addition to No. 1 elevator, which was built last year at Vancouver?

2. What is the storage capacity of the said addition?

3. Were tenders advertised for, if so in what papers and on what dates were advertisements published?

4. What were the names of firms tendering for the contract and the amounts of said tenders, if any?

5. If the contract was not let by tender in what manner was the contract given?

6. To whom was the contract given and on what terms was the said contract given?

Hon. Mr. CARDIN:

1. For the concrete storage house, shipping house, and necessary machinery and equipment complete, including the connecting conveyor gallery to Elevator No. 1, to February 29, 1924, $749,875.54.

2. 850,000 bushels.

3. Tenders for the foundation work were advertised for April 16 to 18, 1923, in the Vancouver Daily Sun, World and Province. By the time plans of details for the superstructure were completed, necessity for extreme expedition in order to make the facilities of the addition available at the earliest possible moment suggested the wisdom of arranging a contract by negotiation, and, after considering the proposition with different reliable firms, the contract was given to the Pacific Construction Company the lowest qualified bidder on the foundation work, on a cost plus 10 per cent basis;—the percentage to be paid, however, not to exceed $35,000.

4. Messrs. Cotton & Co., $36,715; C. D. Collard, $41,750. (This man afterwards requested that his bid be withdrawn). Messrs. Paulsen & Co., $49,239; Nickson Const. Co., $72,440; McQueen Const. Co., $46,378; Pacific Const. Co., $42,807.

5. Answered by No. 3.

6. Answered by No. 3.

FEDERAL APPEAL BOARD

Mr. BOWEN:

1. Since the Federal Appeal Board has been instituted how many decisions has it given against the Pension Board?

2. Have any of the Federal Appeal Board decisions against the findings of the Pension Board been translated into cash payments to successful appellants?

Hon. Mr. BELAND:

1. On first appeal, 56. On re-appeal by the Board of Pension Commissioners for Canada, 7.

2. Yes.

MR. J. R. H. BYRNE

Mr. LAVIGUEUR:

1. Has the Minister of Immigration and Colonization received a letter from the member for the county of Quebec, dated December 22, 1923, requesting and insisting upon an inquiry being made with regard to the charges against Mr. J. R. H. Byrne, in relation to the restaurant and canteen at the port of Quebec?

2. If so, is it the intention of the minister to allow the inquiry as requested?

Hon. Mr. ROBB:

1. Yes.

2. No.

THE STAMP TAX

Sir HENRY DRAYTON:

How much money was collected under the stamp tax on cheques (a) during the months of November to March, inclusive, of the fiscal year 1922-23 and (b) during the same period of the fiscal year 1923-24?

Hon. Mr. BUREAU: I do not think we can answer this question, which asks for the amount of money collected under the stamp tax on cheques. My hon. friend knows very well that we have no means of ascertaining how many stamps went out on cheques in the period specified, how many on notes, matches, and so forth. We distribute the stamps, and they are sold to the people.

Sir HENRY DRAYTON: My hon. friend may be right in so far as matches are concerned, but I should not think so. Perhaps the question could be amended to apply to cheques, promissory notes or drafts, so as to meet my hon. friend's point.

Mr. BUREAU: What about receipts?

Sir HENRY DRAYTON: And receipts too. I will amend the question accordingly.

Mr. SPEAKER: Stand.

Hon. Mr. COPP: It is impossible to distinguish the amount of stamp tax collected on cheques as distinguished from amount collected on notes, drafts, bills of exchange, statements of overdrafts, money orders, receipts.

SEASONABLE HINTS

Mr. PRITCHARD:

1. At what intervals during the year 1923 did the Department of Agriculture issue the publication known as "Seasonable Hints"?

2. What number of copies were printed at the different periods: (a) English; (b) French?

3. What was the cost of the several editions: (a) English; (b) French?

4. What was the total cost of this publication for the year?

5. What system of distribution was followed?

6. How many requests for this publication has the Department of Agriculture actually on file?

Hon. Mr. MOTHERWELL:

1. "Seasonable Hints" was issued three times during 1923, viz: March, July and November.

2. Number of copies recommended for printing: March, English, 304,000, French, 83,500; July, English, 312,000, French, 87,500; November, English, 322,000, French, 91,500.

3. March editions, English, $2,688.65, French, $765.46; July editions, English, $2,454.90, French, $753.40; November editions, English, $2,602.28, French, $830.40.

4. $10,095.09.

5. The Publications Branch of the Department of Agriculture sent "Seasonable Hints" to every address on its mailing list and furnished copies on special application. The Experimental Farms branch furnished copies on individual request, and, on request, also, to banks throughout Canada.

6. 375,007.

RAILWAY NEWS SERVICE

Mr. SPENCER:

1. Is the News Service (Agent) Department on the Canadian National Railways run by that railway or is it let to a contractor?

2. If the latter, who is the contractor and how much is paid for this contract?

Hon. Mr. GRAHAM:

1. To a contractor.

2. Canada Railways News Company; on a percentage basis.

CANADA AND GULF TERMINAL RAILWAY COMPANY

Mr. GAUVREAU:

1. What money subsidy has been paid to the Matane and Gaspé Railway, now known as The Canada and Gulf Terminal Railway Company?

2. On what grounds were the double subsidy payments based?

3. Were exaggerated reports sent to the Department of Railways to obtain the double subsidy?

4. If so, is it the intention of the government to institute an inquiry on the subject so as to have any money so obtained returned to the department?

Hon. Mr. GRAHAM:

1. $210,053.59.

2. Because actual, proper and reasonable cost justified payment of more than ordinary subsidy.

3. Subsidy was paid on report of the Chief Engineer of the department after inspection of work by inspecting engineer and of books and vouchers by the departmental auditor.

4. See reply to previous questions.

C.N.R.—OFFICIALS' SALARIES

Mr. DOUCET:

1. How many officials and employees of the Canadian National Railways, Atlantic Division, are in receipt of a salary of $2,400 and over?

2. Of these, how many are French Acadians or Canadians?

Hon. Mr. GRAHAM:

1. The management takes the ground that it is not in the public interest to furnish this information.

2. All Canadians. Proportion of French Acadians not known.

CUSTOMS DEPARTMENT, MONTREAL—DISMISSALS

Mr. RINFRET:

1. How many employees of the Department of Customs, at Montreal, were dismissed from the service since January 1, 1924?

2. How many were dismissed for personal reasons?

3. How many were dismissed to conform with the government's economy programme?

Hon. Mr. BUREAU: I can answer this question orally. Since January 1, 1924, there were none. Questions 2 and 3 answered by No. 1.

IMPORTATIONS OF CHINESE EGGS

Mr. DICKIE:

1. How many dozen of Chinese eggs were imported into Canada during the year 1923?

2. To what points in Canada were such eggs shipped?

Hon. Mr. BUREAU:

Imports of eggs from Hong Kong and China entered for consumption by ports: during the fiscal year ended March 31, 1923.

Port	Hong Kong. Doz.	China. Doz.
Halifax, N.S.	300	
St. John, N.B.	25	
Montreal, P.Q.	4,379	
London, Ont.	50	17
Port Arthur	33	50
Sudbury	17	
Toronto	2,769	
Winnipeg, Man.	133	50
Calgary, Alta.	55	
Cranbrook, B.C.	75	
Nanaimo	909	
New Westminster	192	
Revelstoke	350	
Vancouver	34,423	75
Victoria	19,472	
Total	63,182	192

WAR REVENUE ACT

Sir HENRY DRAYTON:

What was the total amount collected under the provisions of the Customs Tariff War Revenue Act, 1915, and other acts providing for new or increased duties both of customs or excise during the years 1915 to 1921, inclusive?

Hon. Mr. BUREAU:

War tax and excise taxes collected under provisions of the War Revenue Act during the fiscal years ended March 31, 1915 to 1921.

Fiscal Year	War Tax on Imports	Excise Taxes
1915	$ 2,638,473 03	$ 98,056 95
1916	25,256,787 89	1,550,488 35
1917	37,830,427 39	2,072,441 42
1918	45,018,562 27	2,253,421 87
1919	44,726,091 67	11,964,740 03
1920	31,369,296 91	15,744,039 89
1921	4,891,895 55	79,346,814 98

AEROPLANE STATION—NORTH SYDNEY

Mr. HANSON:

1. Were repairs made to airplane station at North Sydney during the fiscal year of 1923?

2. Were tenders called for these repairs and if so, what tenders were received?

3. Who received the contract and at what price?

4. What was the extent of the work?

5. Who were the cheques made payable to for the work done on the job?

6. What is the intention of the government regarding the future use of these buildings and what did they cost the government for maintenance and repairs each year for the past five years?

Hon. Mr. KING (Kootenay):

1. Yes. Repairs to roof.

2. Yes. Jas. M. Cashin and A. J. Steele, $1,464; Robert Cooper, $1,565; Geo. C. Green, $1,595; F. C. Reading, $1,780; F. Haggett, $2,000; P. C. McNeil, $2,270; J. C. McMillan, $2,275; Geo. E. Moore, $2,300.

3. Cashin and Steele: $1,464.00.

4. Covering roofs of stores building, mess building and recreation building with rubberoid roofing and providing necessary flashing around chimneys.

5. Cheque Re87,717 for $1,464.00 made payable to Cashin and Steele; cheque Re89,578 for $2.50 made payable to F. A. Bill and Son.

6. Cost of maintenance 1919-22, no expenditure, April, 1922 to March, 1923:

Repairs	$ 100 70
Maintenance	1,905 90
Total	$ 2,006 60

April, 1923 to March, 1924: Repairs as in answer to (5) above, $1,466 50; maintenance, $2,006.23.

IRON ORE BOUNTY

Hon. Mr. MANION:

With reference to the offer of the Ontario government to give a bounty on iron ore, provided the Dominion government gives an equal bounty, has the government reached any conclusion in this regard?

2. If so, what is that conclusion?

Hon. Mr. STEWART (Argenteuil): The matter is still under consideration.

MANITOBA FISHERIES

Mr. BANCROFT:

1. What was the value of the products of the fisheries of Manitoba for the year ended March 31, 1924?

2. What was the total cost of administering the fisheries of Manitoba during the same period?

3. What was the total revenue of the Department of Fisheries from the fisheries of Manitoba for the year ended March 31, 1924?

Hon. Mr. CARDIN:

1. $1,020,595 for the calendar year 1923.

2. Salaries and disbursements of:

Fishery Officers	$13,041.96
C. G. S. Bradbury	20,051.25
Total	$33,093.21

3. $15,345.88.

C.G.S. BRADBURY

Mr. BANCROFT:

1. What was the total cost, including furnishings, of the Canadian government steamer Bradbury?

2. What has been the cost of maintaining and operating this vessel each year up to the end of the last fiscal year?

Hon. Mr. CARDIN:

1. $203,329.54.

2.

1915-16	$ 7,182.85
1916-17	19,122.24
1917-18	18,943.45
1918-19	22,058.23
1919-20	21,176.75
1920-21	16,787.94
1921-22	23,624.52
1922-23	21,852.05
1923-24	20,051.25

to March 31, 1924.

TRAVELLING EXPENSES OF MINISTER OF LABOUR

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, on the 14th April I had a question on the order paper, and the Minister of Labour (Mr. Murdock) in my absence answered it in the following words:

This question will be handled as a part of and answered by the answer to question No. 50.

As you know, Sir, the numbers of questions are changed from day to day, and consequently it is difficult to trace a question by number. After a good deal of trouble I succeeded in finding out that question No. 50 stood in the name of the member for Cariboo (Mr. McBride). He knew nothing about the answer. Finally I dug up the fact that this question, which is very simple in itself, and which the minister apparently did not want to ask directly to be passed as an order for return, was so treated. I do not think it was necessary to adopt this course, as it seems to me the question was of such a simple nature that it might very easily have been answered by the minister.

PULPWOOD COMMISSION

On the motion of Hon. Mr. Stevens:

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.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, when this motion was moved at a previous sitting I directed the attention of my hon. friend (Mr. Stevens) to the fact that the evidence which he is asking for had been given under an arrangement with the Forestry department of the government of Quebec that it would be considered confidential, and that therefore the Pulpwood Commission do not care to furnish a copy without the consent of the provincial government. Under the circumstances, might I ask my hon. friend to drop the motion? Or I can write the Forestry department of Quebec for permission to furnish the evidence, if he so desires.

Mr. STEVENS: Mr. Speaker, might I ask the indulgence of the House for a moment? I would suggest to the minister that he request the consent of the government of Quebec to make public this evidence. The reason for my suggestion is that the Pulpwood Commission was appointed under the authority of this government, and therefore we are entitled to any information called for by parliament in connection with it.

Mr. ROBB: Mr. Speaker, the proposition of my hon. friend sounds reasonable, and I offer no opposition to the resolution, with this understanding, that if the government of Quebec decline to give their consent, we are not to be held responsible if the evidence is not brought down.

Mr. STEVENS: Of course, we expect that out of deference to an order of this House a rather strong request will be made by the government that the evidence should be brought down. I think the House is entitled to see the evidence, and that is the reason I ask for it.

Mr. BUREAU: The evidence was given on condition that it should be kept secret.

INQUIRIES FOR RETURNS

MR. RICHARD FORDHAM

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, I should like to draw the attention of the Minister of Customs (Mr. Bureau) to an order which was passed on March 24th for papers regarding the appointment of Richard Fordham. So far as I can find out the papers have not yet been brought down.

Hon. JACQUES BUREAU (Minister of Customs): I will call the attention of the officers of the department to the matter.

CHICAGO DRAINAGE CANAL

Mr. T. L. CHURCH (North Toronto): Mr. Speaker, on March 19, the House passed an order for the production of all papers (a) re diversion of water by the Chicago Drainage Commission; (b) re an application for the construction of a power dam on the St. Lawrence river near the town of Morrisburg. When will all the papers be brought down on these two important matters? The House and the country are entitled to know. A deputation is now at Washington in reference to the Chicago diversion, claiming to represent Canada. Is the Dominion government represented there or not? What is being done about these two important matters?

Hon. A. B. COPP (Secretary of State): The papers were brought down two or three days ago, and are on the Table.

RIFLE SIGHTS

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, on the 9th April a question standing in my name regarding a contract given for the supply of rifle sights was passed as an order for return. As a matter of fact, I do not think it was necessary to so treat the question, the answer to which should be very simple. At any rate the information has not yet reached me.

Hon. E. M. MACDONALD (Minister of National Defence): Mr. Speaker, the return is being prepared, and I think is almost ready to be brought down. I will see that it is brought down.

MR. J. B. LEVESQUE

Mr. ALEXANDRE J. DOUCET (Kent, N.B.): Mr. Speaker, on the 19th March a question standing in my name for a copy of all correspondence with respect to J. B. Levesque was passed as an order for return. So far the return has not been brought down.

Hon. P. J. A. CARDIN: (Minister of Marine and Fisheries): I will draw the attention of the officers of the department to the matter.

ALBERTA MINERAL TAX ACT

On the Orders of the Day:

Mr. G. G. COOTE (Macleod): Mr. Speaker, could the Minister of Justice tell the House whether the government has come to any decision in regard to the application for the disallowance of the Mineral Tax Act passed by the Alberta legislature?

Hon. ERNEST LAPOINTE (Minister of Justice): Yes, the government has recommended the disallowance of the Mineral Tax Act, and His Excellency the Governor General has disallowed it. But not for the reasons which have been mentioned in the press. The disallowance has been recommended because the act was interfering with Dominion rights and was in conflict with Dominion policy and Dominion interests. I shall be pleased to lay on the table of the House the order in council as well as the report of the Minister of Justice, the petitions that have been received with regard to this act, and the representations made by the Attorney General of Alberta.

Mr. RYCKMAN'S STATEMENT

On the Orders of the Day:

Mr. R. A. HOEY (Springfield): Mr. Speaker, in view of the statement made yesterday by the Prime Minister that the right hon. Minister of Finance (Mr. Fielding) had fully endorsed this year's budget, and in view of the statement recently made by the hon. member for East Toronto (Mr. Ryckman), I would ask if the government have received any information which would enlighten us as to whether the hon. member has yet submitted his resignation to His Honour the Speaker.

Hon. GEORGE P. GRAHAM (Acting Prime Minister): Mr. Speaker, so far as the government is aware, the member for East Toronto has remained silent.

Sir HENRY DRAYTON (West York): I think my hon. friend might also add that so

far as the government is aware the conditions mentioned in the statement of the hon. member for East Toronto have not yet been met.

Mr. HOEY: Oh.

THE BUDGET

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

The House resumed from Tuesday, April 29, the debate on 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 Mr. Woodsworth.

Mr. J. A. CLARK (Burrard): Mr. Speaker, the Acting Minister of Finance (Mr. Robb) announced to the country that his government had reduced the national debt for the year ending March 31, 1924, by the sum of $30,400,000 odd. The member for St. Lawrence-St. George (Mr. Marler), speaking yesterday, estimated that the Acting Minister of Finance should have shown a deficit of about $2,000,000, and the hon. member for Brome (Mr. McMaster), who followed him, stated that he agreed with the member for St. Lawrence-St. George and that he also believed that the minister should have shown a deficit.

By a simple mathematical calculation based on the principle enunciated by the member for St. Lawrence-St. George and by the member for Brome—principles which, I may say, I personally believe in, and principles upon which all past ministers of finance have acted—I estimate that the Minister of Finance this year should have shown a deficit of $26,906,850.43 instead of a surplus of $30,400,000 odd.

I would like to examine for a few minutes the statement furnished to the House by the Acting Minister of Finance. He stated that last year the national debt had increased by $31,641,067.01. If this be true, there must have been an improvement this year over last year of $62,000,000. Now, what are the facts? The returns of the Finance department show that this year's total revenues were larger than last year's by $2,383.000 odd. In addition to that, there was some found money, admitted by the minister to be such, of $9,622,000 odd. Similarly last year they had found money amounting to nearly $8,200,000. They were therefore more fortunate this year than last by nearly a million and a half dollars, showing a total improvement of about $3,800,000.

There are four classes of expenditure, ordinary, capital, special, and National Railways. Our capital expenditure increased last year by roughly, $3,500,000. Our ordinary expenditure diminished by $1,000,000 and our special expenditure diminished by $107,000, leaving a net increase in these three classes of expenditure of nearly $2,500,000. If we deduct the total increase of expenditure outside of National Railways from the total increase of revenue, we see that the showing for the year 1923-24 is better than the showing for 1922-23 by $1,385,000. If our ordinary expenditure has only improved by the small amount that I have indicated, how does the minister find his betterment of $62,000,000? Obviously he has issued bonds, one issue for $50,000,000 on the railways, another issue for $22,500,000 on railway equipment, making $72,500,000 in all, but he has not charged that, as has always been done in the past, to the national debt. So that if you deduct the minister's supposed surplus of $30,500,000 it shows an actual deficit of $42,090,000.

Mr. EULER: Would the hon member permit a question? This is merely to clear up what I think is a misconception. In figuring the surplus or deficit, does the hon. member take into account any moneys expended by way of betterment to the railways, what you might call capital expenditure?

Mr. CLARK: I will come to that. What I was going to say was this. The minister has announced that of the $50,000,000 bond issue, he has cash in hand of $15,184,000, so that you may in all fairness, though the minister did not say anything about it in his budget speech, deduct that from what would appear to be the total deficit of $42,090,000, whereupon you arrive at the figure I gave of $26,906,850.43 as the actual deficit.

The hon. member for Brome stated, and I entirely agree with him, that the obligations of the National Railways are direct obligations in the same way that the Intercolonial railway obligations were direct, and that they should therefore be added to our national debt. With regard to betterments referred to by the hon. member for Waterloo (Mr. Euler), the hon. member for Brome suggested that the national debt should be decreased by an amount equivalent to the extent to which the position of the National Railways had been improved by the value of the betterment. With that I do not agree; that would be an entirely wrong principle to adopt. If you value the betterments on the National Rail-

ways and deduct the amount of that value from the total amount paid to the railways, you will have to do the same thing on all public works, on all canals and every other capital expenditure undertaken by the government.

Mr. McMASTER: May I interject something there? Is there not a difference to be drawn between an ordinary public work such as a wharf or a canal which is not productive of any revenue, and a railway, which, properly managed should carry itself?

Mr. CLARK: I do not admit that our canals do not produce a revenue, nor do I admit that we have not other public works that produce a revenue. But in any case the fact is that up until the end of 1923 this country had paid over $580,000,000 more on National Railways than the country considered National Railways were worth to us. Now let us go back to the year 1920, when a new system was adopted by the then Minister of Finance of writing off and adding to the national debt every non-active security. He states in his budget address of May 18, 1920:

> It is obvious that the advances to the Canadian Northern, Grand Trunk Pacific and Grand Trunk Railway Companies cannot be treated as active assets. They are not at the moment realizable; further, no interest is being paid, and in some cases the principal as well as interest is overdue. As is well known, Canada is now the owner of the Canadian Northern, receiver for the Grand Trunk Pacific, and steps have been taken for the acquisition of the Grand Trunk. While the railways have potential value, at the present time the fact is that the country itself owns the Canadian Northern and is responsible for the operation of the Grand Trunk Pacific, with resultant heavy cost to the taxpayer.
>
> Assets which are not readily convertible, as the specie reserve is, or are not interest producing, are not such assets as ought to be deducted from the gross debt. They are inactive, they are items of such a character as might well be placed in a suspense account. At any rate, whatever may be their future value, however great it may be, they are not assets of such a character as to directly reduce the gross debt any more than the other capital accounts of the country ought to be deducted from it.

In that year, 1920, the Minister of Finance wrote off securities and advances to the value of $272,000,000 odd, and added that amount to the national debt. In 1921 he added another $100,000,000 approximately, and in 1922 the Minister of Finance in the present government (Mr. Fielding) added approximately another $100,000,000, and last year another $70,000,000, making a total of $558,000,000 odd of non-active securities that were written off, indicating that the railways had cost us that much more than they were worth to the country. This year we have it suggested that similar securities that have been considered of no value in the past should now be considered as specie securities readily realizable. I submit that that has been done for the purpose of showing a balanced budget and a surplus, with the result that the country has been deceived, and the comparison between this year and last that has been given to this House and to the country is on a basis which is entirely unfair. The result of that system is going to mean that in the future the national debt cannot be ascertained with any degree of certainty, and Canada's credit will suffer accordingly, because investors will never be able to ascertain what the margin of security on this country's assets may be.

To show further how absolutely inaccurate the minister's figures are, he states in his budget speech that the railways have cost us $23,781,664, whereas the Minister of Railways (Mr. Graham) in a return stated that the total deficit for the calendar year of 1923 was $44,962,000. What I would like to know is how this enormous deficit was reduced to $23,000,000 between January 1, 1924, and March 31, 1924, or was it reduced at all, and where did the minister get the money, unless as I stated he got it from the bond issues, and he has used that money for the purpose of paying ordinary deficits on the National railways?

Now I come to a different branch of this budget debate, and it is necessary before going into the general conditions of this country first of all to consider briefly agricultural conditions in Canada. At the outset I am prepared to admit that farming conditions are not satisfactory, and that we must find remedies for the existing conditions. At the same time I want to ask, are farming conditions in any country in a satisfactory condition? Are they in a satisfactory condition in the United States? Are they in a satisfactory condition in free trade England? Undoubtedly farming in free trade England is dead. In the United States farming conditions resemble ours, but our conditions are better because we have cheaper land and because our prairie lands will still grow wheat, whereas in the competing sections of the United States immediately to the south, in the Dakotas, the land will no longer raise good crops. To use an expression which some of my Progressive friends have used, the land in the Dakotas is mined out.

I would like to refer to the presidential address of Mr. Coolidge before congress this year. He stated:

> The distress is most acute among those wholly dependent on one crop. The wheat crop was greatly expanded and has not yet been sufficiently reduced. A large amount is raised for export which has to meet competition in the world's market of large

amounts raised on lands much cheaper and much more productive. He (the farmer) must be assisted by reorganization of the freight rate structure, which will reduce charges on his production. The acreage of wheat is too large. Unless we can meet the world market at a profit we must stop raising for export.

Now that is quite a different policy from that advocated by the wheat growers of this country. The Minister of the Interior (Mr. Stewart) advocates that the way to cure the position of the wheat grower in Canada is to abolish protection; sound the death knell of protection, and that will cure all ills. I might refer for just a moment to his argument. He says, "I trust that it will be the death knell of protection." He refers to the depressed conditions that existed at the time the Laurier government came into power in 1896, and he attributes those conditions practically exclusively to the high tariff. And then he boasts that the best condition Canada ever had existed between 1896 and 1911. But he admits that the tariff structure was not much changed. This is what he said:

> In 1896 we had a change of government; Sir Wilfrid Laurier came into office. Now no one is going to suggest that over night Sir Wilfrid Laurier changed the whole fiscal policy of this country. He did not. But he did one thing—he succeeded in removing the quarantine regulations against cattle.

A great argument for free trade! Now, what I say is this, that at no time since the National Policy came into effect has any government of Canada pronounced a policy of free trade until that policy was announced by the Minister of the Interior in his recent speech. And I say that such a policy will act as a boomerang on those reponsible for it. Furthermore—and to my mind this is the most serious feature of the matter—it will not tend to promote a better feeling between the West and the East. In the past there has unfortunately existed a feeling in the West against the East. That will now be changed I fear to a bitter feeling on the part of the industrial interests of this country towards the section of Canada that is insisting now upon a policy of free trade. You cannot promote the interests of any one great industry by killing another great industry. In addition to that, such a policy will destroy what is more vital to the wheat grower—more particularly to the farmers of Ontario, Quebec, and the provinces other than the prairie provinces—namely, their home market. And even to the prairie farmer, despite the statement of the Minister of the Interior, the home market is absolutely vital. The home market is vital to every interest in this country—whether it be mixed farming, or fruit growing, or manufacturing, or any other walk of life.

I should like now to give a few figures showing what this home market meant to the agriculturists in the year ending August 31, 1923. We will take grains first. The proportion of barley exported was 19.4 per cent. The proportion of beans exported was 7.1 per cent. The proportion of buckwheat exported was 6.3 per cent. The proportion of corn exported was 2 per cent. The proportion of oats was 4.7 per cent. I may point out that the value of the oat crop was over 50 per cent that of the wheat crop of the same year, which means that over 95 per cent of the oat crop of this country was consumed in the home market.

Mr. KENNEDY (Glengarry): Who provided that 95 per cent of the home market for oats and other coarse grains?

Mr. CLARK: I have not the figures. However, I have no doubt at all that the market was provided by all interests; by the wholesalers in the city who use horses; by the lumber men who use horses in the woods, and by the farmers themselves. I am not detracting from the fact that you sell some oats to farmers or that you use some oats yourselves: That is quite true. But how many bushels of oats do you suppose were eaten by the good Scotch Presbyterians in the form of oatmeal? I imagine it would amount to a good quantity. To continue with my figures. The proportion of peas exported was 7.8 per cent and the proportion of rye exported 31.4 per cent. Of wheat the proportion exported was 57.4 per cent.

I think it was the hon. member for Battleford (Mr. McConica) who some time ago asked the hon. member for Vancouver Centre (Mr. Stevens) what difference there was between selling our produce to ten millions of foreigners and to ten million residents of Canada. With respect to that I ask: Is it of no value to increase the population of Canada? Do we want to increase the population of this Dominion, or do we want Canadians to continue their present exodus to the United States—a course that the present government is permitting? I question very much if there is a dairy farmer, or a producer of eggs, or a producer of beef or mutton in Canada who would suggest for one moment that the home market is not more vital to him than any other market that could be provided.

Mr. KENNEDY (Glengarry): When we have an exportable surplus of eggs, and of dairy and meat products, would not my hon. friend say that the price received for those products determines the price in the home market?

Mr. CLARK: That does not for one moment detract from the value of the home market. My hon. friend must remember I am talking of the value of the home market.

Mr. KENNEDY (Glengarry): The price received in the home market is determined absolutely by the price received for the exportable surplus.

Mr. CLARK: In principle that may be true as to wheat. But I think that the wheat growers of Canada to-day are receiving about the same price for their wheat that they received in 1913. Now I suggest that that price would be larger if we increased the home market by an infinitely greater degree. This year we have 180,000 less consumers of wheat in Canada than we had last year; that number of our best Canadians has been driven across the borders of the United States. Is that market of any value to the wheat growers of this country?

4 p.m.

Mr. FORKE: Might I suggest to the hon. member that the 180,000 Canadians who are over in the United States are still eating wheat and eating up the surplus wheat.

Mr. CLARK: Grown by United States farmers.

Mr. FORKE: No. That detracts from the surplus.

Mr. CLARK: Of the United States, yes. I have already quoted the president of the United States on that point, and he says that their exportable surplus is too large and that they must decrease the acreage. He will welcome, I am sure, these 180,000 wheat-eating Canadians to eat up that surplus. It has been disputed in this House; it was disputed by the hon. member for St. Lawrence-St. George that Canada is losing its citizens at the rate that has been suggested. I have taken the trouble of obtaining from the United States Department of Labour the figures on the subject. I have a statement from the United States Commissioner of Immigration, and this is what he says:

Please also be advised that the enclosed table has reference only to bona fide Canadian citizens migrating from your country to the United States for permanent settlement purposes within the fiscal years referred to. The figures of non-citizens of Canada residing in that country who entered the United States for permanent residence purposes during the fiscal years referred to are not given in the figures given in the table herewith sent you.

The figures are as follows:

For the six months ended December, 1923..	104,414
January, 1924..	15,598
February, 1924..	14,092

[Mr. Clark.]

Just to show how these citizens are leaving from the industrial centres where the home market exists for the wheat grower and the mixed farmer of this country, I should like to quote some of the departures from the principal centres in Ontario, Quebec and the Maritime provinces. It must be remembered that the rate at which the people are leaving has increased almost 100 per cent since the end of the American fiscal year of 1923. For that year the departures are as follows:

Through ports—	
Buffalo, N.Y...	4,020
Detroit, Mich..	16,621
Halifax, N.S...	2,533
Montreal, Que..	11,478
Niagara Falls, N.Y..	4,501
Port Huron, Mich..	3,528
St. John, N.B...	4,394
Vanceboro, Me..	4,708
Winnipeg, Man..	6,988

And so on, showing that it is the industrial centres that are being depleted, and that the home market for the farmers is thereby being needlessly lost.

Mr. KENNEDY (Glengarry): Has the hon. member those figures on an occupational basis to show what proportion of farmers and what proportion of industrial workers have left this country for the United States?

Mr. CLARK: I have not those figures, but hon. members might note this, that the tremendous percentage of people who have left have come from that portion of Canada which lies east of Fort William.

I should like to deal for a few minutes with the effect which the present policy of the government has upon the industries of this country. I have made a computation, and I find that ten tariff items of the present tariff amendments vitally affect 917 industries in Canada. There are only 37 tariff changes out of a thousand or more items. Let me refer to some specific industries and the effect upon them.

For the purpose of illustrating the effect of the reductions on logging machinery I will take some industry in my province, British Columbia. For the purpose of illustrating the effect on the mining industry, I will take an industry in Quebec. I find that in my city numerous manufacturers of logging machinery are vitally affected by this tariff. Until the war was nearly over, those manufacturers had made very little equipment for the logging industry; but they built up their plants during the war for

munitions and other purposes, and as soon as the war closed, they adapted those plants for the purpose of making logging machinery. Under the protective system, in the particular lines of industry which they manufacture, we find that last year they controlled approximately 80 per cent of the market for logging machinery in British Columbia. By the way, I do not think this government or anybody else can for one moment accuse British Columbia of having old established manufacturing industries, industries which should have established themselves, got on their feet and be past the stage when protection should be required. I think it will be admitted quite freely by everybody that these are still infant industries. I might also mention this fact, that the logging industry in British Columbia is competing with the logging industry in the states of Oregon and Washington. We find that the logging industry in those two states is making a bitter complaint to the federal government at Washington, asking that something be done to stop our British Columbia logs from flowing in and competing with their logs on the Pacific coast. As a matter of fact, I would rather welcome action on the part of the United States government to that effect, because if our government will not deal with the situation and will not put an export duty upon our raw materials, such as our logs, that we should manufacture into lumber here, I rather hope the American government will impose a duty and thus force our Canadians to manufacture their logs into lumber at home. Let me read what a few of these manufacturers think of the policy of the government as indicated in this budget. It is incidentally significant to me to find that practically the only people who argue against any sort of protection are wheat growers and those who are not engaged in industry in any sense of the word and who therefore know nothing about industrial problems. They advance what I submit are the views of economists, which, elaborated nearly a hundred years ago, are no longer applicable to business conditions in this country, or any other country for that matter. This is what one of these infant industries says:

> The cost to the British Columbia logger is considerably less than to the United States logger and it would appear at first glance that we have no need to worry about American competition, but that is very far from being the case. The logging industry is to a very large extent controlled by American capital and the most of the logging superintendents and foremen are American citizens who have obtained their training in the United States. These men are all partial to American made goods and it is only because of the large difference in the price that we can induce them to try the Canadian product. It is the American influence we have to fight, and reduction of the duty takes away the only weapon we have to fight with.

The hon. member for Brome, last night made the statement that our people would buy Canadian goods in preference to American goods if we could sell them as cheaply. I should like to take the hon. member to British Columbia and let him go through the logging camps and ascertain for himself just what conditions these people have to contend with. I do not know to what extent, but I can say that to a tremendous extent, this industry in British Columbia is controlled by American capital, and many logging superintendents are American men trained in American ways and therefore prefer American machinery. Yet the hon. member for Brome has the hardihood to say that these men would buy Canadian machinery in preference to the American manufacture if they could get it at the same price.

Mr. McMASTER: What I said was that Canadians would always buy, under free trade conditions, where they could get the best value for their money, and my belief is that the American people are governed by precisely the same business considerations.

Mr. CLARK: I wrote my hon. friend's statement down, but at any rate it is not important. This firm goes on to say:

> This business has been established for fifteen years and the earnings have almost entirely gone into development with the result that we have to-day the most completely equipped plant for our business on the Pacific coast.

Now, I am going to give a little comparison between the prices of American made machinery of this type and machinery of Canadian manufacture, for the information of those who are always declaring that our Canadian manufacturers cannot manufacture at as low a cost as the Americans and, further, that they invariably add the duty to the American home price. What we do say, as a general principle, is that our Canadian manufacturers in many industries, under the same conditions, can manufacture as cheaply as the Americans can, wherever they do so in mass production, have a large market, and are not dumped upon. If we expect to develop our industries, we must give our own manufacturers sufficient protection to enable them to control the market and keep out American goods altogether. Just to show that our British Columbia manufacturers can make this logging machinery as cheaply

as the Americans can, I am going to quote some of the prices in connection with some of this equipment:

Vancouver

1—36 x 5 High lead block at $304.00..	$304 00
1—18 x 2 Return block at $85.50..	85 50
2—12 x 2½ Moving blocks at $61.20..	122 40
4—12 x 2½ Haulback blocks at $36.00..	144 00
4—18 x 3 Loading blocks at $94.50..	378 00
2—10 x 2½ Loading jacks at $70.20..	140 40
	$1,174 30

Seattle

1—36 x 5 High lead block at $337.25..	$337 25
1—18 x 2 Return block at $93.50..	93 50
2—12 x 2½ Moving blocks at $68.00..	136 00
4—12 x 2½ Haulback blocks at $37.00..	148 00
4—18 x 3 Loading blocks at $106.25..	425 00
2—10 x 2½ Loading jacks at $63.75..	127 50
	$1,267 25

I have many protests from the manufacturers, but I will consider only one more. This is a well known company operating with English capital. I refer to the Vancouver Engineering Works. During the war they employed a total of 375 hands, and today they have only about 200. This is what they say:

> We emphatically protest against any reduction in the tariff on logging cars. Last year we commenced manufacturing these. They had always been imported previously. Our product is absolutely satisfactory and is standard in every respect and is guaranteed by us to be the equal or better of the imported article. We sell these cars for $1,750 Vancouver; the American price is $1,900 and our actual cost of labour and material is $1,442 without allowing anything for overhead and profit. If duty is reduced we shall have to cease manufacturing. We cannot reduce our price any further and cannot hope to secure the business unless our price is substantially below American, as the loggers, who have American sympathies, will buy their product every day on an even price basis. We had hoped to build up a first-class logging car industry here, but now the government has blasted our hopes and wrecked our initial investment.

I would point out that in every logging car built by this company they incorporate equipment made by our steel and other industries of an approximate value of $500. Is that of any advantage to this country? Apparently not in the estimation of the government, for they have wiped out the duties on many of the articles going into the construction of these cars and on agricultural and other implements. This will spell ruin for our steel industry and it is done in order that some of our manufacturing concerns may be permitted to buy from the United States various component parts entering into their finished product.

I turn to agricultural implements. It has been estimated by various speakers that if the farmers actually got the reduction in duty there would be a very small sum of money coming to them annually as a result. I do not admit that there would be any, because any saving would be more than offset by the destruction of their home market. But I wonder if the Progressive party realize the effect of the budget proposals on the agricultural implement industry? I notice by yesterday's paper that prior to the bringing down of the budget the government passed an order in council abrogating the special provision enabling the American manufacturer to invoice his goods to Canada at 5 per cent less than the market price. Instead, he must invoice his goods and pay duty on the basis of the price payable by the American purchaser. What does that mean? Supposing the grain grower of this country wanted to buy an implement from the United States which was valued and sold in the American market for $100; last year the American manufacturer could have invoiced that implement to the Canadian grain grower for $95, to which would have been added 10 per cent duty, or $9.50, making a total of $104.50. This year the government has reduced the duty from 10 to 6 per cent—a reduction of 4 per cent. The American manufacturer must now invoice his implement to the Canadian farmer at $100, the latter pays 6 per cent duty, and the result is that the implement is laid down here for $106. Did the government tell my Progressive friends anything about this order in council before they accepted the budget proposals? Is the Progressive party prepared to accept the budget with such a condition attached? Is this in line with the platform of the Progressive party?

Mr. McCONICA: When my hon. friend's government allowed the article to be invoiced at 95 per cent, did the manufacturer sell it at $95, or did he put on another $5?

Mr. CLARK: Which manufacturer?

Mr. McCONICA: Your foreign manufacturer who sent in his goods invoiced at 95 per cent. Did he sell them at 95 per cent?

Mr. CLARK: Yes.

Mr. McCONICA: Then would he not invoice them at 90?

Mr. CLARK: Why?

Mr. McCONICA: He invoiced them at 5 per cent below what he sold them for.

Mr. CLARK: Under the dumping act he could not invoice them at 90.

Mr. McCONICA: That was the provision.

Mr. CLARK: No, not at all. My hon. friend is altogether wrong, and if he will allow me to explain the situation once more

I shall be pleased to do so. If the American market price of the implement was $100, the manufacturer would be permitted to invoice it to Canada at $95, and its selling price would be $95 plus duty at 10 per cent, bringing the total price to $104.50. Certainly the American manufacturer would sell his product to the consumer in this country for $95 in order to undercut the Canadian manufacturer. But to-day as a result of the order in council to which I have referred, and which was not announced by the Acting Minister of Finance (Mr. Robb), my hon. friend must pay $106 for the same article. What good is it going to do him? That is the question.

In pointing out how the budget affects the mining industry, I might preface my remarks by stating that a telegram has just come into my hands from the secretary of the Mining Association of British Columbia to the effect that in the opinion of the association the proposed reduction of duty on mining machinery will not materially benefit the mining industry of that province. That has always been my opinion. The very first thing that is going to happen as a result of the budget is that many mining companies will have to close down their mines, because the ore which has heretofore been used by Canadian manufacturers in the building of their machinery will no longer be required by them as they will be compelled to go out of business, and the Americans will ship into this country American machinery made with materials fabricated from American ores.

Let me give an illustration of what might happen in Canada if we adopted a proper policy towards the mining industry. For my purpose I will take the asbestos mining industry in the province of Quebec. Last year our production of all minerals was worth $180,000,000, of which the asbestos industry in Quebec produced $7,500,000, or about one-twenty-fifth of our total mineral production. There are two American companies which have their manufacturing plants in the United States, they are the Johns-Manville Company and the Keesby Mattinson Company. These two companies own mines in the province of Quebec and they produced last year nearly one-half of the asbestos produced in that province, shipped it over to their manufacturing plants, refined it and turned out the finished product there. For the past three or four years the asbestos mining industry of the province of Quebec has been flat on its back. No dividends have been paid, and some of the companies are going into liquidation.

Mr. McMASTER: Will the hon. member allow me to say—

Mr. CLARK: I will allow the hon. gentleman a question, that is all.

Mr. McMASTER: I would be glad to know where the hon. member got his information that the asbestos industries of the province of Quebec are not paying dividends.

Mr. CLARK: Well, I got my information from the Annual Financial Review. I do not think I said that none of them were paying dividends; what I say is that the industry is flat on its back. I ask the hon. member to name the companies in the province of Quebec—and I will accept his statement—that are paying dividends to-day.

Mr. McMASTER: The Amalgamated Asbestos Corporation passed its dividend on its common stock, but is still paying regularly its dividend on its preferred stock.

Mr. CLARK: That may be interpreted as meaning that this company is still meeting its bonded indebtedness.

Mr. McMASTER: And paying dividends on its preferred stock.

Mr. CLARK: It is the same thing.

Mr. McMASTER: It is not the same thing.

Mr. CLARK: It proves my statement. There are in the province of Quebec sixteen concerns in the asbestos business; my hon. friend can name one that has paid a dividend on its preferred stock. Can he tell me the capitalization of that company?

Mr. McMASTER: The capitalization of that company amounts to millions; if I mistake not, it is about $8,000,000. It is a combination of most of the asbestos mines in and about Black Lake and Thetford, and I think produces about half, not more, of the asbestos production in the province of Quebec.

Mr. CLARK: I have the figures and have had them verified by the companies themselves. My hon. friend is absolutely wrong in his statement. Somebody says "as usual;" I will not be so unkind.

Mr. McMASTER: I would be glad if the hon. member would inform the House in what respect I am wrong.

Mr. CLARK: I will inform my hon. friend; unfortunately it is taking time, that is the only trouble. The largest producer in the province of Quebec was the Johns-Manville Company with 53,000 tons. The next largest producer was the Asbestos Corporation of Canada with 39,000 tons.

Mr. McMASTER: That is the company I am referring to. It used to be called the Amalgamated Asbestos Corporation of Canada.

Mr. CLARK: I am glad my hon. friend gives me that. He said that this corporation produced at least one-half the asbestos production of the province of Quebec. Just to show how far wrong he is in his unfortunate statement to the House, I may point out that the total production of asbestos last year in the province of Quebec was 228,345 tons, and this company that he says is paying dividends produced 39,345 tons. However, I did not propose to get into any argument on that score. My point is this: That two of these companies are American companies; they are manufacturing all their product in the United States from probably over one-half the asbestos production of the province of Quebec; and while our companies are all flat on their backs the Johns-Manville Company in the United States paid a ten per cent dividend in 1919, the same in 1920, the same in 1921, the same in 1922 and in 1922 they paid a 40 per cent bonus to their shareholders. Is it of no value to this country to have manufacturing concerns here, or must we continue the policy of allowing our resources to go to the United States and to pay dividends to the Americans instead of having the manufacturing carried out in Canada?

While we are on the question of protection, I wonder if this government informed the Progressives, when the negotiations were being carried on for their support through these proposals, that the duty on lead pencils, an industry peculiar to the Prime Minister's constituency—

Mr. FORKE: Before the hon. gentleman goes any further I would like some information about those negotiations, because I do not know anything about them.

Mr. CLARK: Perhaps I am wrong. The leader of the Progressive party, before negotiations could be opened, hastened to assure the government that the proposals would have his support.

Mr. FORKE: I would again ask the hon. gentleman where he got his information.

Mr. CLARK: It was given in the House once before. The Winnipeg Free Press, I think, was quoted in that connection.

Mr. FORKE: I am not responsible for the Winnipeg Free Press.

[Mr. Clark.]

Mr. CLARK: But that is only one industry. I wonder if the industry that the Minister of Trade and Commerce (Mr. Low) is interested in, the refrigerator industry—I wonder if the Progressives—

Mr. ROBB: Or the cream separator industry.

Mr. CLARK:—were informed that no change in the tariff was to be made. I wonder if the Progressives were informed that the Minister of Justice (Mr. Lapointe), whom I am glad to see here had seen to it that the boot and shoe industry of Quebec would get some special concessions by way of sales tax, special concessions which the minister did not see fit to hand out to the salmon canning industry of British Columbia, which is more on its back than the boot and shoe industry? Nobody knows better than the Minister of Justice—he should have known better than any member of the government—that the salmon canning industry of British Columbia needed looking after, needed encouragement as no other industry in this country needed it. Yet we find that it is singled out—

Mr. LAPOINTE: Will my hon. friend permit me?

Mr. CLARK: Yes, a question.

Mr. LAPOINTE: Yes, only a question. Does my hon. friend say that the interests of the boot and shoe manufacturers were properly safeguarded?

Mr. CLARK: Yes, although a great deal more could have been done.

Mr. LAPOINTE: Oh, I see.

Mr. CLARK: I quite agree that the boot and shoe industry should be fairly treated, and I think more could have been done for it. But what I am objecting to—

Mr. LAPOINTE: What would you suggest?

Mr. CLARK:—is that a minister of the Crown should take advantage of his position to protect the industries of his own constituency to the exclusion of the industries in the country generally. I see the Acting Minister of Finance in his seat. What about flour? Is there any one commodity used by a greater proportion of the people of this country than flour? Was the duty on flour tampered with? Not at all. The Acting Minister of Finance was bringing down the budget, and he had control of the situation.

Mr. LAPOINTE: Keep to the boots and shoes, I like that.

Mr. CLARK: I am sorry the Minister of Railways is not in his seat, because I come now to what is perhaps the most interesting of all—the Canada Foundries and Forgings, Limited, Hon. George P. Graham, vice-president. Now what did this cabinet see fit to do to help that industry? Perhaps my hon. friends to my left would be good enough to turn to the tariff schedule and look at item 450a. Previously that item was contained in 450, and I will read item 450 as it was before the present budget proposals came down:

Shovels and spades of iron or steel, n.o.p.; shovel and spade blanks, and iron or steel cut to shape for the same; and lawn mowers; British preferential tariff, 20 per cent; Intermediate, 30 per cent; General, 32½ per cent.

Now what happened? We find that a new item has been provided for lawn mowers, which are manufactured by the Canada Foundries and Forgings, Limited, of which company the Minister of Railways is vice-president, and item 450, from which lawn mowers have been eliminated reduces the duty on shovels and spades of iron and steel, etcetera, to 10, 15 and 20 per cent. A special item, 450a, has been made, for lawn mowers, which retain the old duty of 20, 30 and 32½ per cent. Is that the sort of treatment my hon. friends to my left are going to stand for? Are they approving of a budget such as that? Are they going to get up and vote for it?

There are other industries; in fact, I think we could probably go right through every member of the government and find that some action has been taken on the part of each minister to look after his colleagues. Take the Minister of the Interior (Mr. Stewart). He is a party to the retention of the same duty on lawn mowers as existed last year. He is a party to taking that article out of the old item and putting it in a new class by itself, so that the industry can be protected. What I am surprised at is that the Minister of Labour (Mr. Murdock), who must sit in the cabinet council, has not taken steps under the Combines Act. Surely there never was such a combine as has been exhibited by the ministers of the government this year in protecting industries in which they are interested themselves.

I cannot understand why the hon. member for Brome sits down where he is sitting; I cannot understand why he does not go back where he belongs; I cannot see why he does not change places with the hon. member for St. Lawrence-St. George. He would help the government in their policy of sounding the death knell of protection. I was very interested last night to hear the hon. member's denunciation of the anti-dumping law. He waved his arms about enthusiastically and said it was a most pernicious instrument and he hoped the day would soon come when it would be eliminated altogether. The hon. member might just as well get up and say that he looks forward to the day when there will be no manufacturing concerns in the Dominion of Canada.

Mr. McMASTER: Nonsense.

Mr. CLARK: The hon. member says "nonsense." Now I will quote from an official report to show what the American people think of this nonsensical doctrine that has been adopted by Canada and is represented by the anti-dumping act. These figures are from a report of the Bureau of Foreign Commerce of the United States, from July 1, 1919, to April 30, 1920, showing the dumping into Canada prior to the anti-dumping law coming into force. They boast of it in their official reports. Here are some figures. In the boot and shoe industry, and I am sure this is one of the things that moved the Minister of Justice (Mr. Lapointe) to see that the boot and shoe industry in the province of Quebec was at least partially protected, I find that children's boots and shoes which sold at an average price per pair of $1.84 to all countries sold at an average price to Canada of 96 cents, or just about one-half. What would happen to our boot and shoe industry under those conditions? Does the hon. member for Brome suggest that our boot and shoe industry in this country could thrive if the trusts in the United States over whom we have no control, with their mass production, were allowed to throw on the Canadian market boots and shoes at less than cost, as they admit they did do, and as they would do again at the first opportunity? If we allowed that it would drive every manufacturing concern out of business in this country, and then what would happen? After the manufacturing concerns are gone, where would my hon. friend's home market be without any industrial centres in the Dominion?

Mr. FORKE: I would like to inform the hon. member that in Manitoba last winter there were lots of children unable to go to school for want of boots, and they would be glad to get them for 90 cents a pair.

Mr. CLARK: What does the hon. member think of conditions in England? Does

he think there are not children there in the same condition, or in Ireland, or in Scotland, my hon. friend's own homeland, in Glasgow, for instance? Does he think there are none there who cannot afford to buy boots? Of course there are, and I do not doubt that there are in Winnipeg, and Toronto, Montreal and in Vancouver, and on the farms of this country also.

Mr. BEAUBIEN: It is not forty below zero in Glasgow.

Mr. FORKE: The hon. member has asked me a question. I should like to state that some hon. gentlemen to my right take a particular pleasure in always talking about the terrible conditions that exist in Great Britain. I do not like to place this statement on Hansard but at the same time I believe there are conditions in Canada today just as bad as there are in Great Britain.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: That is humour, Scotch humour.

Mr. FORKE: No, it is not humour.

Mr. CLARK: I will answer my hon. friend in this way. In the United States we find from official figures that the average wages paid there are three times higher than those paid in England—

Mr. FORKE: That does not count for anything.

Mr. CLARK:—and the cost of living is very little higher. The official figures show that. My hon. friend says that counts for nothing. The fact that a man receives three times the wages over there that he does in England counts for nothing. Well, if that is his opinion I have had enough of such doctrine.

Now, I want to go on and develop my argument a little further and compare the industrial conditions in the United States and Great Britain. When free trade was adopted Great Britain had built up her industries by means of a protective tariff. She controlled the industry of the world, she was the workshop of the world. Cobden told the people that Great Britain would always be the workshop of the world, and that in ten years every other country would adopt free trade. That was the basis on which Cobden brought free trade into England—that other countries would have it in ten years. But what happened? Every other continental country built up a protective tariff, and overtook Great Britain in industrial production, and I am going to show what happened in the United States. Undoubtedly Great Britain was the industrial centre of the world when it adopted free trade, and just as truly the United States was a poor farming country. That is borne out by the statements of Henry Clay, one of the greatest Americans that ever lived. This is what he said when they were considering the advisability of adopting protection in the United States:

> The committee will observe that the measure of the wealth of a nation is indicated by the measure of its protection of its industry, and that the measure of the poverty of a nation is marked by that of the degree in which it neglects and abandons the care of its own industry, leaving it exposed to the action of foreign powers. Great Britain protects most her industry, and the wealth of Great Britain is consequently the greatest. France is next in the degree of protection and France is next in the order of wealth. Spain most neglects the duty of protecting the industry of her subjects, and Spain is one of the poorest of European nations. The views of British prosperity which I have endeavoured to present, show that her protecting policy is adapted alike to a state of war and peace. Self-poised, resting upon her own internal resources, possessing a home market, carefully cherished and guarded, she is ever prepared for any emergency. We have seen her coming out of a war of incalculable exertion, and of great duration, with her power unbroken, her means undiminished. We have seen that almost every revolving year of peace has brought along with it an increase of her manufactures, of her commerce, and consequently of her navigation.

Now, let us compare with that what Mr. Coolidge thinks of the situation to-day after sixty years of protection. He says:

> The present tariff law has accomplished its two main objects. It has secured an abundant revenue and been productive of an abounding prosperity. Under it the country has had a very large export and import trade. A constant revision of the tariff by the congress is disturbing and harmful.

Now, in view of what the hon. member for Brome said last night about the balance of trade let me make this statement: The United States in 1921 had a balance of trade in their favour of almost two billion dollars. She controlled the gold reserve of the world and was the most prosperous country on the face of the globe. She paid her industrial workers three times the wages earned in Great Britain, with very little higher cost of living. How has the United States progressed as far as manufacturing industry is concerned? I have before me tables giving the results of a census of industrial production in Great Britain in 1907 and in the United States in 1909. It is difficult to get a comparison for the same years because of the difference in the time of taking the census figures in the two countries. However, I think my figures are the latest that are available

The comparative position of the United States to-day will be found to be very much stronger than in the year in question. First let us take the iron and steel industry, the greatest that Great Britain has. The value of iron and steel and their products—inclusive of land vehicles, railway vehicles, railway repair shops, agricultural and electrical machinery—was £924,000,000 in the United States and in Great Britain £375,000,000. Textiles and clothing; United States, £612,000,000; Britain, £441,000,00. Timber and woodworking trade; United States, £337,000,000; Great Britain, £46,000,000. Leather and leather goods; United States, £198,000,000; Great Britain, £34,000,000. Paper and printing; United States, £235,000,000; Great Britain, £61,000,000. Chemicals; United States, £305,000,000; Great Britain, £75,000,000; Stone clay and glass, United States, £106,000,000; Great Britain, £29,000,000. Productions of metal, exclusive of iron and steel; United States, £248,000,000; Great Britain, £93,000,000. There is a tremendous list here but in only three instances can I find an excess of production in Great Britain over the United States. I will give those and the House will note that they are comparatively small. One is the shipbuilding industry which we are accustomed to think is one of the greatest industries in the world. We find the amount for shipbuilding and repairs, exclusive of war ships; United States, £14,672,000; Great Britain, £41,039,000. Cotton; United States, £125,678,000; Great Britain, £132,000,000 Dyeing and finishing textiles; United States £16,711,900; Great Britain, £18,000,000. Taking these three industries the value in one case is three times greater in Great Britain than it is in the United States, in another case five per cent greater, and in the other case eight per cent greater. In all the other industries common to the two countries the United States exceeds the production of Great Britain all the way from 200 per cent to 1,400 per cent. Surely that is sufficient proof of what a protective tariff means to a country. All that development has been accomplished in the United States under protection. That industrial expansion in the United States was not started until they adopted protection. On the other hand Great Britain, formerly the workshop of the world, has lost her standing as such.

5 p.m.

I should like to touch very briefly on the question of taxation. In the first place, I cannot pass over the statement made last night by the hon. member for Neepawa (Mr. Milne) who estimates that there are 798,360 farmers in Canada. He said:

> We divide our gross revenue and find out what each farmer gets, and it amounts to about $1,700 per farm. It was estimated that the taxes, Dominion, federal and provincial, amounted to about $100 for individuals, with an average family of five, so that it would make $500 of a tax bill to start with.

My hon. friend's estimate would mean that the farmers of this country estimate that they are paying $400,000,000 of the tax bill of Canada. The total revenue of the Dominion is only $300,000,000 odd, yet the hon. member has the effrontery to state that the farmers of this country are paying taxes to the tune of $400,000,000. I do not say that the farmers are not paying their taxes.

Mr. KENNEDY (Glengarry): Did the hon. member for Neepawa not include municipal taxation?

Mr. CLARK: Quite so. I read his statement. I said federal, provincial and municipal taxes. But what is the total provincial expenditure for the whole Dominion of Canada? I am quite sure it is under $150,000,000 per annum. Add that to the Dominion expenditures and you see the enormous sum that the hon. gentleman suggests the farmers are paying in taxes. I think every Progressive member and every farmer in this country will admit that the other members of the community are paying taxes in at least the same proportion as the farmers in this country are paying. I have figures that would suggest a greater proportion, although I do not propose to use them. But if the other classes of the Dominion of Canada are paying taxes on that basis, that would mean that we are paying taxes to the extent of approximately $1,500,000,000 per annum or, if I mistake not, about two-thirds of the national debt of Canada. Such statements as these are palpably ridiculous. The hon. member suggests a round-table conference. I am heartily in accord with such a conference; I am heartily in accord with sitting down with the farmers of Canada and considering what can be done with their industry. I admit quite frankly that I am no expert on agricultural activities, but we expect the farmers to admit just as frankly that they are not experts on industrial activities and are not entirely qualified to get up in their places and quote economic theories which, I submit, are a hundred years old to show that the industrial production of this country would be stimulated if we permitted the Americans to dump their boots, shoes and other products into this country without a duty and without an anti-dumping law.

On the question of the sales tax I want to ask the Acting Minister of Finance (Mr. Robb) to make a note of this situation. Last year I brought to the notice of the govern-

ment an industry in my constituency, a large creosoting industry in which there is invested nearly $400,000 of capital. This industry makes creosoted piling and creosoted railway ties. I asked that protection should be given to that industry, but that, of course, was refused. I was, however, assured by the Minister of Finance and by his tariff expert that the sales tax would be eliminated from the creosote which entered into that product. I know that the Minister of Finance intended to do that, but the Minister of Customs and Excise (Mr. Bureau) interpreted the act otherwise, and the result was that, instead of the industry being subjected to a sales tax of 2¾ per cent on every gallon of creosote that went into its product, it was increased to 6 per cent, although the Minister of Finance intended, as he stated to me, that it should be free from the sales tax. I fancy that the legal interpretation of the act prohibited the Minister of Customs from placing that interpretation upon it, but the result was that that concern has been paying 6 per cent upon its creosote oil. It has in stock to-day 380,000 gallons which retails at about 95 cents a gallon and is sold wholesale at about 60 cents a gallon. There we have an outlay of about $200,000. My point is this, 50 per cent of the value of that company's product consists of the raw creosote that goes into the timber. Therefore, the effect of the law as it stood prior to the bringing down of this budget, was that on every stick of creosoted timber that came into this country, from the United States, a subsidy of 3 per cent was given to the Americans. That has worked out to the disadvantage of that company and I will show how. The Vancouver Harbour Board, the Dominion government itself, the Minister of Public Works, use that product in the wharves of the Dominion of Canada. That company cannot compete with their American competitors in Seattle who ship into Canada large quantities of their piling and sell them in the Canadian market at a price less than the Canadian company can manufacture for, with a subsidy in favour of the Americans of 3 per cent on every stick that comes in. Just the other day that company lost a large contract because its price was $3,000 in excess of the American price. That $3,000 I have no doubt would be accounted for by the subsidy paid by the Dominion to the American manufacturer. I complain of this sort of treatment to our own people and the encouragement of the American manufacturer at their expense. I realize that the situation has arisen through a bona fide error which the government has corrected this year. But it has been corrected without any compensation to the Canadians; no rebate of the sales tax has been given on sales tax paid on 380,000 gallons. This could be done under the Audit Act and I trust that steps will be taken to provide this compensation, because it is certainly only fair.

All of these things confirm the impression that exists in the minds of the people of the country that Canada is adopting a policy of subserviency to the United States. I would suggest to the government that, rather than a policy of subserviency, we should adopt a bold policy towards the United States; even if the government adopted a policy similar to that which they have followed in the case of the Mother Country it would suffice. What folly it is for us in Canada to continue to rely upon the bankrupt countries of Europe for our markets, when there exists to the south of us a country that controls the gold reserve of the world and which is capable of paying us real money? That country would be forced to buy from us if we adopted a policy similar to that which they have pursued towards us. If we did that, instead of having a balance of trade against us and in favour of the United States to the tune of nearly $200,000,000 we could with the greatest ease, turn the tables and have a balance of trade of hundreds of millions in our favour.

I suggest that this policy which the government has adopted is being dictated by a minority, by the Progressive party and by the grain-growing interests of the country. The total vote polled at the last election was 3,000,000. The Liberals gained 1,296,000, the Progressives 769,000 and the Conservatives 971,000; and the total number of voters on the list was 4,722,000. So that the Progressives, who I say are dictating the policy of the government, represent less than one-sixth of the total voters of this country; and I venture to say that of the 1,296,000 persons who voted for the Liberals, 75 per cent did so in the belief, or at least in the hope, that this government would continue the Laurier-Fielding tariff, or a policy practically the same as the National Policy of Sir John A. Macdonald. I repeat, a minority of the members of this House and of the people in the country is dictating this policy of sounding the death knell of protection, and it is unjustifiable to a degree. If this government wishes to follow a manly course and has a true sense of the responsibility which has been placed upon its shoulders by the people of the country, it will submit the whole question in a clean-cut issue to the electorate.

In conclusion I want to re-affirm, that the financial statement presented by the Acting Minister of Finance is a gross misrepresentation of the actual financial condition of the country; and that the minister has adopted a new system of accounting. The minister has eliminated expenditures of large amounts actually required to meet railway deficits, hitherto always properly added to the public expenditures and taken into account when computing the national debt. Under this new system we can never accurately determine the national debt, and Canada's credit will consequently suffer because investors in Dominion securities will not be able to determine the margin of security; in fact, they will not know whether the actual indebtedness of the country is greater or less than the total assets. Furthermore, I reiterate that this policy of the government is being dictated by a minority of the members of the House, representing less than one-sixth of the voters of the country. These dictators represent sectional interests, and no sound government can be carried on for the general welfare of the country which is dictated by sectional interests.

Mr. SEXSMITH: Not even the manufacturers.

Mr. CLARK: Not even the manufacturers, no. This course means not only the wiping-out of the customs duty but the repeal of the anti-dumping law, thus enabling the American trusts to dump their goods in Canada until Canadian industry is dead, and thereafter they will be able to sell to us at whaever prices they may fix, without any controlling voice on our part. There is no mandate for such a course of action, and the only manly thing for the government to do, if it has any manly qualities left, is to take this issue to the people, ask for their opinion, and see what they say in the matter.

Mr. E. A. LAPIERRE (Nipissing): I wish to associate myself with the speakers who have preceded me in expressing my regrets at the absence of the Minister of Finance (Mr. Fielding) and the hope that we may soon again see him in his accustomed seat. The Acting Minister of Finance (Mr. Robb) is to be congratulated upon his first budget; he has achieved this year what has been the ambition of his predecessors, namely, a balanced budget. The budget shows a surplus of revenue over ordinary expenditure of $67,750,000 and it will reduce by $24,000,000 the burden of taxation which has borne so heavily upon the agricultural and labouring classes. The returns for the eleven months ended February 29 indicate a continued healthy growth of Canadian and foreign trade. Already both imports and exports exceed those of 1923, and the balance of trade favourable to Canada for the eleven months is $158,424,707. The balance of trade is regarded by many persons as the barometer indicating trade conditions and we must accept these figures as indisputable proof of a steady return to stability. We are gradually emerging from conditions created by the enormous expenditures and losses incurred in the world's war, and in common with all other countries we have had to adapt ourselves to entirely new conditions. I feel safe in saying that no other country can look forward to the future with more confidence and optimism than can Canada.

Senator Ingalls of the United States said somewhere that out of every great struggle some man or sect or nation has emerged with higher possibilities, greater opportunities, broader liberties, purer religion and a greater capacity for happiness. I venture to say, Mr. Speaker, that Canada is now emerging from its participation in the world's war with greater opportunities for the future. Possessing a sturdy and law-abiding population of instinctive common sense, with unlimited natural resources which all the world requires, with water-power and transportation facilities unequalled anywhere, Canada must, if its people will unite in one national effort and every class of our population do its duty and contribute its fair share to the restoration of our losses and the payment of the debt incurred by war, soon return to normalcy. In order to achieve this end, which is the ambition of every true Canadian, it will be necessary to forget that there exists in Canada an East and a West. There is no room here for sectionalism. The welfare of Canada is the concern of all.

One of the most contentious questions we have had to deal with since confederation is the tariff—always a most difficult problem for a nation that has industries to protect, agriculture to encourage and a wage-earning class of consumers demanding a high standard of living. The adjustment of a tariff in such a way that it will bear equally on all classes of society, without interfering with the progress or stability of industry is, as I have said, a difficult problem. Our tariff has been the rock upon which governments have been most frequently wrecked. Every government has endeavoured to evolve a tariff policy which would be acceptable to all the various classes that compose our population. And it must be admitted that to the Liberal party is due the

credit of having shaped its tariff policy at all times so as to promote the general prosperity in Canada. I may venture to say, Mr. Speaker, that this year's budget is in complete harmony with the fundamental principles of Liberalism and will do more to restore the confidence and prosperity of this country than anything else that has occurred since 1911. The present government has shown its desire to meet the situation squarely and fairly and carry out the tariff policy of the Liberal convention of 1919. It has kept faith with the people, and the people have demonstrated by their unequivocal appreciation that their confidence in Liberalism is unshaken.

In dealing with the budget this session the government had to take into consideration the unusual economic conditions prevailing throughout the country. Some of our industries to-day are finding it exceedingly difficult to adapt themselves to the new conditions brought about by the aftermath of the war—a period such as Canada had never experienced, a time when demands for Canada's products greatly exceeded production. when profits became so great that some manufacturers were ashamed to take them. During this period of high prices, and large profits, many of our manufacturers put some of their profits back into the business either in buildings or in machinery, others paid it back to themselves in bonuses or in increased wages to their employees. They thus created a situation which was found to make it almost impossible for them to return to normal conditions without a complete dislocation of their business and great loss of capital invested in overbuilt plants. The expansion of production, during this era of prosperity is responsible in very large measure for the clamour we now hear throughout the country that industry is not paying. The manufacturers of Canada overestimated the post-war demands for their products. Manufacturing capacity was expanded to meet a demand that never came. Over-capitalization during the inflation period and increased overhead expenses, coupled with a falling demand for their products, brought about a rude awakening to our manufacturers, who were over-accustomed to paying dividends ranging from 50 to 100 per cent. With no reserve to meet these altered conditions they attempted to keep up prices at nearly war-time levels, for it is well known that the prices of most commodities were at their peak in 1920 —three years after the war had ceased. With a decreasing demand for their products some manufacturers endeavoured to pay dividends on over-capitalization and expanded manufacturing capacity by keeping up prices, and then when they discovered that this could not be done they blamed their failure on the tariff and the British preference. This, I might say, Sir, was a deliberate attempt on the part of the manufacturers of Canada, who had overestimated the post-war demands and bought war material at peak prices, and paid big dividends during this period of prosperity, to make the Canadian consuming public absorb their losses. This, of course, applies only to manufacturers who had not provided for the reaction which everyone knew was inevitable. The manufacturers who preferred losing business to enlarging their plants to meet temporary demands are still in business and making money.

Another industry that is now calling for help is the boot and shoe industry. There is no doubt that many boot and shoe factories are in trouble due to the reduced purchasing power of the people and to British competition. Yet I may safely say that no business took a greater toll from the Canadian people and expanded more during the war-time than the boot and shoe business. The industry grew away beyond the requirements of the domestic market, and there is no possibility of the manufacturers finding a foreign market for their surplus production. The cotton industry is another "infant" industry calling for help. The Dominion Textiles, whose products enjoy a protection of 35 per cent, while their principal raw material is admitted free of duty, was organized in 1905 by the amalgamation of four companies. The syndicate which formed the merger received $5,000,000 of capital stock for which they paid $500,000 on that investment. The shareholders have received in dividends from 1907 to date over $4,700,000 and the balance sheet for the year ending March 31, 1921, showed a surplus of $4,636,591. The dividends now being paid on common stock are at the rate of 12 per cent on the par value or $600,000 per annum on an investment of $500,000. Since the merger was formed, the Dominion Textile Company has closed plants at Halifax, Vancouver and Moncton. When the Tariff Commission was travelling all over Canada in 1920 this company employed a lawyer to travel with the commission who protested on every occasion against any decrease in the protection enjoyed by this industry. Sugar and cement are also highly protected industries which benefited greatly by the war and whose war-time profits should have gone in large measure toward paying the cost of the war.

The government well considered this time as not opportune to make a general reduction of the tariff. The manufacturers are passing

through a most difficult period and many are being forced to close down. They have to meet the competition of low priced labour in European countries, and a depreciated currency. Low production costs give the foreign manufacturer a decided advantage over his Canadian competitor, who operates in a country where wages are better and the standards of living are higher. This situation is very well exemplified by an article which appeared in the Montreal Standard, a publication which has always been an organ of high protection. The article, under the caption "The Tariff Situation in Canada," reads as follows:

The proponents of the "National Policy" advocated tariffs as a means of developing infant industries, and of encouraging the creation of new industries. Many Canadian industries are no longer infants, though they may be small in comparison with similar industries in the United States. Quite a number of Canadian industries now have a productive capacity considerably greater than the requirements of their home markets and the present possibilities of their foreign markets. The cement mills last year were only operated to 48 per cent of their capacity; last year twenty-eight shoe manufacturers had to close their factories; various other important industries have developed a productive capacity much in excess of present requirements and very likely to meet all demands during the next cycle of business expansion. This is a fact of first importance; it calls for a reconsideration of tariff policy in so far as the larger industries are concerned. Obviously industries which have already outgrown the needs of the country can only have legitimate claim upon the protection of tariffs in so far as they have to confront special circumstances not contemplated or provided for by the authors of the "National Policy." That such special circumstances exist is evident. But only the manufacturers concerned can appreciate their precise effects; the public can only form a general idea. So manufacturing interests seeking additional protection to-day should place all their cards on the table.

The public is no longer satisfied with general statements that protection having served to promote a great development of Canadian manufacturing industries, more protection will keep them busy. The fact must be faced that quite a number of industries under the abnormal stimulus of war demands, have been over-developed; that they would be if their development had proceeded normally. Their only present title to additional protection rests upon their legitimate need of protection from unfair competition due to abnormal conditions in other countries; and the public have a right to know all the circumstances upon which they have their claims. It is possible to raise the tariff so high that manufacturers would be able to charge prices, permitting them to pay dividends on this excess capital invested in plants which are superfluous at the present time. It might be even desirable to do that if there were good prospects of a big expansion of foreign markets in the near future, but there are no such prospects. But if such a form of protection was accorded manufacturers as a matter of public policy, then, with the next business boom, capital would be encouraged to start new enterprises competing with the already over-developed industries, instead of experimenting with new varieties of industry, based upon unexploited natural resources.

Before the Canadian manufacturer can hope for stability there must be drastic capital reconstruction in many industries which expanded during the war much beyond the domestic needs. There must be complete reorganization where there is an adverse balance and other impediments. Water must be squeezed out of stocks, all accumulated deficits must be written off and over estimates written down to market price. Then if the present tariff does not give sufficient protection, let them throw their cards on the table and show the government that their demands are well founded. This is being done in Great Britain and it will have to be done in Canada. I will give you an illustration of what is taking place in Great Britain. I am quoting now from the Manchester Guardian Commercial of Thursday, March 24th, in an article entitled "Facing Facts in Company Finance."

Since our last issue the directors of two large industrial companies have published proposals for a drastic capital reconstruction. British Glass Industries, Limited, was a characteristic flotation of the "boom" period, and in 1920 it distributed a bonus of 150 per cent in fully paid shares. Since then it has fallen on evil days, accumulating an adverse balance and other impediments which last year led to a complete reorganization. The subsidiary companies were given a large measure of independence and British Glass Industries became a holding company pure and simple. The change was a wise one, and already the trading position is reported to be sounder and the chief subsidiary is working at a profit. A legacy from the period of over-trading, however, is still carried in the balance-sheet, and the board now proposes to write off the debit balance and to write down the paid-up capital from £3,659,709 to £914,927. A scheme of a similar nature put forward by Crossley Bros. Ltd., is described on another page of this issue. The nominal value of the ordinary share capital is to be reduced by 50 per cent, investments are written down to market price, and the valuation of fixed assets is cut down by some £200,000. An accumulated debit balance of £209,504 can thus be written off. Crossley Bros. is a sound manufacturing concern, the misfortunes of which date from an over-estimation of the post-war demand for its products. Manufacturing capacity was expanded to meet a demand which never came. In 1923, however, a trading profit was actually earned, and the tide now appears to have turned. These companies and all who follow suit in blotting out the post-war boom and slump from their financial history deserve support from their shareholders whenever the scheme of reconstruction, however unpalatable, is wisely framed. The British Dye-stuffs Corporation is another instance of a large company about to take the plunge. The example now being set could be studied with profit by a large section of the cotton spinning industry, notwithstanding the premium which our present system of tax rebates may place on over-capitalization. Due attention should also be paid to ways and means of relieving the industry from its system of short-loan repayable at call, useful enough in times of prosperity but an oppressive burden in times like these.

When this has been successfully accomplished, a more economical system of distribution must be found. In Canada to-day we have a highly efficient but very expensive system of distribution. From the time our commodities leave the producer and reach the consumer they pass through the hands of several middlemen, such as wholesalers, jobbers, agents, retailers, and so forth, all of whom tack on from 5 to 50 per cent to the cost of the goods as they pass them along from one to the other and finally to the consumer. There are too many middlemen engaged in distributing commodities. The streets of our cities and towns and villages are lined with stores, shops, emporiums, bazaars, and so forth, many of them engaged in the same line of business, and most of them getting more for the service they render than the wages earned by the producers. The office buildings of our cities are honeycombed with offices of agents and representatives of manufacturing companies, most of them getting more for the services they render than the wages earned by the producers. When you have reduced the cost of distribution and transportation you will have taken the first step towards relieving the wage earner of much of the burden he is asked to bear.

By reducing the tariff on instruments of production such as farming, mining, lumbering and logging machinery, the Acting Minister of Finance (Mr. Robb) has made the first serious move towards fostering our mining and lumbering industries, a movement of momentous importance which will be received with great satisfaction by the mining and lumbering interests, especially in New Ontario and northern Quebec—that vast region possessing potential wealth greater than any other area of its size in the world; a region which is pronounced by eminent geologists as the greatest exposure of mineral wealth known to science; a region that is destined to take a foremost place as a producer of mineral wealth.

The development of our natural resources will help to solve our transportation problems, will give employment to thousands of wage earners, and the great consumption of various commodities required in the development of these industries will stimulate trade and commerce throughout Canada.

The importance of mineral resources in the economic structure of Canada has been vastly magnified in modern times and these resources are the basis of industrial strength and progress. Canada, occupying the northern half of the North American continent, had already achieved wide publicity as an agricultural and lumbering country, and for that reason the people of Canada have been slow in realizing the amazing progress this country has made as a producer of precious metals, and of appreciating what a potential source of wealth lies hidden in the cold embrace of mother earth in the northern hinterland.

The pre-Cambrian area of Canada, surrounding Hudson bay, and occupying more than half of the entire surface of the country, is described by Dr. C. V. Corless, the eminent geologist of the Mond Nickel Company, as the greatest single exposure of mother earth's basement in the world, and it is there we are finding her richest treasures stored for future use. The pre-Cambrian formation appears right across northern Ontario. It extends in from the province of Quebec and extends out to Manitoba. The mines in northern Ontario are on the outer edge of the pre-Cambrian formation.

So far as I am aware, no one has undertaken to specially examine and set forth the broad facts of our mineral trade in their bearing upon the commercial position of the Dominion as a whole. The Dominion's annual deficit of mineral productions, when measured in dollars, is almost staggering, as these figures given in a speech delivered by Mr. Charles Camsell before the Canadian Institute of Mines and Metallurgy in Toronto last March will show:

Mineral Exports and Imports, 1923

	Exports	Imports	Trading surplus (x) or trading deficit (–)
Iron and steel. ..	$ 67,000,000	$173,700,000	–106,700,000
Non-ferrous metals..	56,800,000	42,400,000	x 14,400,000
Non-metallic minerals..	29,500,000	165,100,000	–135,600,000
Totals..	$153,300,000	$381,200,000	–227,900,000

The deficit of exports as compared with imports is $227,900,000. We have a small balance in non-ferrous metals as the result of exchange on such metals as silver, gold, copper and nickel, in various forms. In 1923, our sales were sufficient to cover only $40 out of every $100 dollars worth of mineral bought abroad. Out of every 100 dollars worth of American mineral bought in 1923, by Canada, $54 took the form of mineral commodities.

Our total purchase of non-mineral products from the United States alone in 1923 amounted to $331,000,000. Furthermore, the United States sold to the Dominion $100 of mineral products for every $20 they bought from us. Over 80 per cent of Canada's sales to foreign countries are drawn from agricultural vegetable products, animal products, and

wood and paper products. The products of our mines and mineral manufacturing industries in various forms of iron, steel and non-ferrous metals and mineral metals are only 15 per cent of the Dominion's sales abroad. As a people, our activities in international trade are confined to the "trading of our raw manufactured farm and forest products for the minerals and textiles of other countries."

The most remarkable feature of the pre-Cambrian formation in northern Ontario is the variety of metallic and non-metallic ores, found in a comparatively small area within a radius of a few hundred miles. Gold, silver, nickel and copper mines are operating with increasing production, and the country, as yet, has really only been scratched.

There are three distinct camps within this area—the Sudbury district producing nickel, the Porcupine district producing gold, and the Cobalt area producing silver. The mines of the Sudbury district are now producing nickel and copper at the rate of close to twenty-five million dollars a year, and are running neck and neck with the gold mines of Ontario for the position of leading place in the mining industries of this province.

Mining operations of the International Nickel Company are centered at Creighton mine, where work continues to disclose enormous resources of nickel-copper ore, extending far beyond previously known limits. Some of the recently developed ore contains between 30 and 35 per cent metal as compared with a general average of from 5 to 6 per cent. Approximately 75,000 tons of material are being hoisted monthly from the Creighton mine, of which about 60,000 tons go to the smelter. The ore is yielding 5 per cent metal, in the proportion of two of nickel to one of copper. With nickel commanding about 25 cents a pound, and copper having a market value of 14 cents to 15 cents per pound, the company is producing a value of upwards of $1,300,000 per month, or at the rate of $16,000,000 a year.

The Mond Nickel Company is now employing between 800 and 900 men and is handling about 1,000 tons of ore daily, the operation being at the rate of about one-third that of the International Nickel Company.

The company holds about 29,000 acres of mining land and has a 1,500-ton smelter at Coniston, with refining works at Clydach, South Wales. In one section of the property, work has been carried on to a depth of 3,600 feet.

The British North American Company has a smelter capacity of 1,600 tons per day with a refinery located at Deschènes, Quebec. The combined facilities are sufficient to produce nickel at the rate of 15,000,000 pounds annually. About 1,000 tons per day have been the recent rate of operation. The nickel and copper contents of the area have a ratio of about 55 of copper to 100 of nickel. Ore reserves on the British American are made up of about 16,000,000 tons of ore. These three corporations form the nickel group of our mining industries in the north and produce 85 per cent of the world's production of nickel.

A general summary of the production is as follows: Up to the middle of the current year, the mines of the Sudbury district had produced a little over a quarter of a billior dollars, made up of $185,000,000 in nickel, $70,000,000 in copper and about $3,750,000 in platinum. The mines of the district have paid over $60,000,000 in wages, and $85,000,000 in dividends.

The silver production of northern Ontario is now over 13,000 tons. The province of Ontario has produced 13,744½ tons of silver according to the figures compiled up to June 30th of this year and the production of 1923 was materially ahead of that of 1922. I will give the figures of the silver production by decades, starting with the first year of actual shipment in 1898:

Year	Value
1898..	$ 51,960
1908..	9,136,830
1918..	17,415,882

And the total for the entire period of production from 1898 to 1923 is $209,986,416. During the same period dividends amounting to $95,888,818 have been paid.

On motion of Mr. Lapierre the debate was adjourned.

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

Thursday, May 1, 1924

The House met at three o'clock.

JOINT COMMITTEE ON PRINTING

Mr. C. A. GAUVREAU (Temiscouata) presented the first report of the Joint Committee on Printing.

HOME BANK

Hon. T. A. LOW (Minister of Trade and Commerce): I desire to present a petition signed by a number of depositors of the Home Bank in Renfrew asking for reimbursement.

UNITED CHURCH OF CANADA

Mr. W. A. BLACK (Halifax): I desire, Mr. Speaker, to read a telegram, signed by the

Rev. C. E. Crowell, on behalf of a meeting of Methodist and Presbyterian ministers, forwarded from Halifax, Nova Scotia, in reference to church union. It is only brief.

Mr. SPEAKER: Order. The hon. member may only present a petition; he is not in order in reading a telegram on the subject.

Mr. L. O. CLIFFORD (South Ontario): I beg to present a petition from certain members of St. John's Presbyterian church, Port Perry, Ontario, protesting against the Church Union bill.

Mr. DONALD SUTHERLAND (South Oxford): I beg to present a petition from members of the congregation of Knox Presbyterian church, Woodstock, Ontario, protesting against the Church Union bill.

Mr. JAMES ARTHURS (Parry Sound): I beg to present a petition from members of the congregation of Parry Sound Presbyterian church, protesting against the passing of the Church Union bill.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I beg to present a petition from the Presbyterian congregation at Rosetown, Saskatchewan, praying for the passing of the bill to incorporate the United Church of Canada; also a petition from members and adherents of Rose Plain Federated church in favour of the bill.

Mr. R. J. WOODS (Dufferin): I beg to present a petition from the Methodist congregation at Mistioge, praying for the passing of the Church Union bill.

Mr. W. A. BOYS (South Simcoe): I beg to present a petition from members of the congregation of Beeton Presbyterian church, protesting against the Church Union bill; also a petition from the congregation of Tottenham Presbyterian church, protesting against it.

Mr. A. B. HUNT (Compton): I beg to present a petition from the Marsboro, Quebec, Presbyterian church, praying that the constitution of the Presbyterian church in Canada be preserved, and its rights, etc., maintained in the event of the passing of Church Union legislation.

Mr. JAMES STEEDSMAN (Souris): I beg to present a petition from members and adherents of St. Paul's Presbyterian church, Elva, Manitoba, protesting against the Church Union bill.

TRANSPORTATION OF ALBERTA COAL

Mr. W. G. RAYMOND (Brantford): I beg to submit the petition of Arthur Robert Kennedy, of London, Ontario, and 28,000 other persons of western Ontario and Alberta, praying that steps be taken by the government to provide for the cheaper transportation of Alberta coal to western Ontario.

FISHERIES ACT, 1914, AMENDMENT

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved for leave to introduce Bill No. 66, to amend The Fisheries Act, 1914.

He said: The object of the bill is to reduce the license fee relating to salmon canneries. A similar bill was passed last year but was rejected by the Senate.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

STEAMER SUBSIDIES IN MARITIME PROVINCES

Hon. Mr. STEVENS:

1. What subsidy has been granted by the Dominion government to the steamship service between Pictou, Prince Edward Island, and Magdalen Islands during the last fifteen years?
2. What vessels have been on this route under the terms of the subsidy contract?
3. Was such subsidy contract for a period of years, or annually?
4. If any, was the payment of subsidy dependent upon vote of parliament or was it by contract?
5. What was the population of Magdalen Islands in 1911 and 1921?

Hon. Mr. LOW:

1 and 2.

Fiscal Year—Vessel	Annual Subsidy
1908-09, Amelia, ...	$15,000 00
1909-10, Lady Sibyl	12,000 00
1910-11, Lady Sibyl	15,000 00
1911-12, Lady Sibyl	15,000 00
1912-13, Lady Sibyl	15,000 00
1913-14, Lady Sibyl	15,000 00
1914-15, Lady Sibyl	18,000 00
1915-16, Lady Sibyl	18,000 00
1916-17, Amelia	18,000 00
1917-18, Amelia	18,000 00
1918-19, Enterprise	18,000 00
1919-20, Lady Evelyn	18,000 00
1920-21, Lady Evelyn	18,000 00
1921-22, R. W. Hendry	24,000 00
1922-23, R. W. Hendry	24,000 00
1923-24, R. W. Hendry	24,000 00
1924-25, Lovat	50,000 00

3. Subsidy contracts were annual, except for a 5 years' period, from 1909 to 1913 inclusive; for a 2 years' period, from 1916 to 1917 inclusive; for a 5 years' period, from 1921 to 1925 inclusive; which was afterwards can-

celled, owing to the unsuitability of the steamer, at the end of 2 years; and for 10 years, from 1924 to 1933.

4. Both. Subsidy was paid under contract, but a clause in each contract stated that the payment of the subsidy therein stipulated was subject to the amount specified being provided for the purpose by a vote of parliament.

5. 1911, population, 7,662; 1921, population, 7,127.

TAXES COLLECTED IN 1923-24

Mr. RYCKMAN:

What are the totals of the several classes of taxes collected by the Dominion government during the past fiscal year?

Hon. Mr. COPP:

Department of Customs and Excise—	
Customs Import Duties ..	$135,098,529.42
Sales Tax	100,980,102.52
Other Excise Taxes	22,676,537.33
Excise Duties	38,604,859.22
Sundry Collections	1,351,422.17
	$298,711,450.66
Department of Finance—	
Income Taxes	$ 54,204,027.99
Delayed Business Profit Taxes	4,752,680.89
Banks	928,790.91
Insurance Companies	700,680.92
Trust and Loan Companies	252,340.42

The figures are not final but represent receipts to date applicable to the year 1923-24.

Department of Insurance—	
Special War Revenue Act, 1915, as amended by Chapter No. 47 of Statutes 1922.	
Insurance Companies, (9 mos. ended Dec. 31, 1923)	$624,046.71
Mutual Insurance Companies, (9 mos. ended Dec. 31, 1923)	24,162.69
(Quarter ended March 31, 1924, in course of collection)	
Unlicensed Insurance Tax preceding calendar year, 1923..	55,915.10
Department of the Interior—	
Royalty Export Tax, Yukon Territory, fiscal year 1923-1924 (11 months)	27,858.54

Post Office Department—

Postal revenue $29,262,232.78 for fiscal year 1923. Figures for 1923-24 not yet available.

Department of Immigration and Colonization—

The only tax collected by this department is what is known as the Chinese Head Tax and from this source $312,500 was paid in to the department during the twelve months ended March 31st, last.

Department of Health—

Total payments amounting to $170,347.53 for Sick Mariners' dues for the fiscal year ended the 31st March, 1924, have been received in the Department of Health.

CIVIL SERVICE ACT—SPECIAL INVESTIGATING COMMITTEE

Mr. HUMPHREY:

With reference to that part of the final report of the specialy committee appointed last session to inquire into Civil Service Act, and referring to proposed amendment No. 15, part one:

Is it the intention of the government to provide legislation this session covering cases where revenue post offices are placed on a city basis, the staff of such offices can be granted Civil Service status?

Right Hon. Mr. MACKENZIE KING: I can answer this question orally by stating that the matter is under consideration.

AUTOMOBILE SHIPMENTS FROM NEW LONDON

Mr. MacLAREN:

What ships were employed in carrying automobiles from New London, Connecticut, overseas in 1923?

Hon. Mr. GRAHAM: I would call the attention of the hon. member in whose name this question stands to the fact that it is somewhat vague in its present form. As to what ships were employed in carrying automobiles from New London, Connecticut, overseas in 1923, I think the inquiry is altogether too broad to be answered.

Mr. HANSON: I assume the intention was to inquire what automobiles were shipped by Canadian Government Merchant Marine vessels.

Mr. GRAHAM: I would suggest to my hon. friend that he amend his question by pointedly asking: Did the Canadian Government Merchant Marine carry automobiles. Is that what he wishes to get at?

Mr. MacLAREN: It will be satisfactory if answered as suggested by the minister.

Mr. SPEAKER: Stands.

WHEAT IMPORTATION FROM UNITED STATES

Mr. SPENCER:

How much wheat was imported into Canada from the United States for the crop year 1923?

Hon. Mr. LOW:

For the crop year ended August 31, 1923 the amount of wheat imported (entered for consumption) into Canada from the United States was: Quantity 90,635 bushels; value $95,413.

CANALS AND HARBOUR IMPROVEMENTS

Mr. WARD:

What is the total amount of money spent on the Welland Ship canal, Old Trent canal, Victoria dry dock, and the Montreal harbour, since the discontinuance of work on the Hudson Bay railway in 1917?

Hon. Mr. COPP:

Department of Marine and Fisheries—

Expenditure by the Harbour Commissioners of Montreal on harbour development, 1918 to date inclusive, $10,052,658.12.

Department of Railways and Canals—

	Welland Ship Canal	Trent Canal
Construction.	$ 26,626,791 93	$ 2,314,306 05
Betterments (Income)..		1,246,370 67
Maintenance (Repairs).		451,388 76
Operation (Staff).. ..		617,411 09
	$ 26,626,791 93	$ 4,629,476 57

The above expenditure is all subsequent to March 31, 1918, and as there is no portion of the Trent canal system known as the "Old Trent Canal" all expenditure on the Trent canal system is given.

Mr. WARD: I have before me the answer to this question. It is complete except with respect to the money spent on the Victoria dry dock. I would like to know why that was not included in the answer.

Hon. Mr. KING (Kootenay): I will make inquiry and give my hon. friend the information.

EXPENDITURE ON HARBOURS—QUEBEC, MONTREAL, TORONTO

Mr. MILLAR:

1. What has been the total expenditure by this government from 1912 to 1923 inclusive, on the harbours of Quebec, Montreal and Toronto?

2. What amount of interest has been returned to the government by each during the same period?

3. Have annual reports been received from each of the said ports during the years from 1912 to 1923, inclusive?

4. If not, during which of above mentioned years and from which of said harbours were reports not received?

Hon. Mr. COPP:

Department of Marine and Fisheries—

1. On Montreal by the Harbour Commissioners of Montreal, $23,903,565.72.

On Quebec, by the Harbour Commissioners of Quebec, $7,710,361.33.

As to Toronto harbour, the Department of Marine and Fisheries has no information.

[Mr. Low.]

2. By the Harbour Commissioners of Montreal, $10,273,011.40.

By the Quebec Harbour Commissioners, no payments of interest have been made but the country has been given the use of extensive facilities for handling immigration without payment, while, if a reasonable return were received from same it is estimated the Commissioners could pay a very considerable portion of the interest due on the total of expenditure given above for this harbour.

By the Toronto Harbour Commissioners, no information in the department.

3. From Montreal and Quebec, annual reports have been received each year during the period named.

4. From Toronto, reports have been received for the years 1912, 1913, 1914 and 1920 only.

Department of Public Works—

Expenditure 1912 to 1923 inclusive.	
Quebec harbour..	$2,072,740 13
Lorne dry dock..	283,909 01
Champlain dry dock..	4,200,355 86
Levis..	170,390 54
	$6,727,395 54
Montreal harbour—dredging in 1912..	$ 4,635 00
Dry dock—subsidy..	945,629 99
	$ 950,264 99
Toronto harbour..	$7,068,366 47

VANCOUVER GOVERNMENT ELEVATOR

Mr. MILLAR:

1. How much grain of various kinds remained in the government grain elevator, Vancouver, on August 1, 1922, when the Board of Harbour Commissioners took possession?

2. What financial adjustment was made concerning such grain?

Hon. Mr. LOW:

1. Wheat, 132,193 bushels; oats, 4,185 bushels; barley, 39 bushels and 38 pounds; rye, 1,175 bushels and 40 pounds; oats and wheat, 72,250 pounds; screenings, 788,270 pounds.

2. No financial adjustment has been made between the Vancouver Harbour Commissioners and the Board of Grain Commissioners covering the surplus grain in store when the elevator was transferred to the harbour commissioners.

Mr. MILLAR:

1. Who was government weighmaster at the government grain elevator at Vancouver on August 1, 1922?

2. Was he discharged? If so, why?

3. If not, did he resign, and what reasons, if any, did he give for so doing?

Hon. Mr. LOW:

1. The Board of Grain Commissioners has no person classified as "weighmaster" at Vancouver, Mr. W. S. Mackenrot is senior weighman at that point and was in charge of the weighing department on August 1, 1922.

2. No.

3. No. He has occupied this position continuously since the above date.

QUEBEC HARBOUR COMMISSION

Mr. HANSON:

1. What advances have been made to the Quebec Harbour Commission during the past fiscal year?

2. Is the commission paying any interest whatever, as contemplated by the Statute, on any advances made?

3. What was the amount of the overdraft the Quebec Harbour Commission carried with their bankers at the close of the past fiscal year?

4. What is the total of advances made to the Quebec Harbour Commission as shown at the close of its books for the past fiscal year?

Mr. CARDIN:

1. Total $449,000.

2. No interest payments, in cash, have been made, but other departments of government are obtaining free use of valuable facilities, particularly for handling immigration coming to the country. The revenue that would accrue to the commissioners if these facilities were charged for on a reasonable basis, annually, would meet interest at the rate provided by the Statute, on a large portion of the advances made to the Commission.

3. At March 31 last, $146,988.88.

4. $11,811,995.68.

H. J. SYMINGTON, K.C.

Mr. HARRIS:

What amount was paid H. J. Symington, K.C., in connection with the Great Lakes Rates Inquiry as (a) Fees; (b) Expenses?

Hon. Mr. LOW: Total amounts paid from January 31 to April 12, 1923, are: Remuneration, $9,450; Per diem allowance, $705; Expenses, $471.43.

SHEPODY BAY—HYDRO DEVELOPMENT

Mr. DOUCET:

Is it the intention of the government to have soundings made at the head of Shepody bay, New Brunswick, for the purpose of hydro development?

Hon. Mr. STEWART: The matter of soundings at the head of Shepody bay in connection with hydro power development studies is at the present time under discussion with the New Brunswick Power Commission.

CANADIAN NATIONAL RAILWAYS—EQUIPMENT RETAINED

Sir HENRY DRAYTON:

1. How many cars belonging to the Canadian National Railways and transferred to the Canadian Pacific Railway have not been returned on the first days of each month of the calendar year, 1923?

2. How many cars belonging to the Canadian Pacific Railway and transferred to the Canadian National Railways have not been returned on the first days of each month of the calendar year, 1923?

Hon. Mr. GRAHAM:

1. January 1, 2,206; February 1, 1,968; March 1, 2,068; April 1, 2,399; May 1, 1,414; June 1, 1,964; July 1, 1,748; August 1, 1,525; September 1, 1,691; October 1, 2,050; November 1, 2,757; December 1, 2,526.

2. January 1, 4,355; February 1, 3,479; March 1, 4,025; April 1, 4,110; May 1, 4,495; June 1, 3,413; July 1, 3067; August 1, 3,981; September 1, 2,940; October 1, 3,399; November 1, 3,889; December 1, 3,545.

HALIFAX OCEAN TERMINALS

Hon. Mr. STEVENS:

1. What amount of money was expended on the construction of the Halifax Ocean Terminals previous to December 31st, 1921?

2. What amount of money has been expended on said terminals since January 1st, 1922?

3. What is the total expenditure to date?

4. What further expenditures are contemplated by the government?

Hon. Mr. GRAHAM: Mr. Speaker, my hon. friend from Vancouver Centre will appreciate the difficulty of showing:

What amount of money was expended on the construction of Halifax ocean terminals previous to December 31st, 1921.

This would include all expenditure up to 1921. No doubt my hon. friend means the amount of money expended within a certain term of years.

Mr. STEVENS: The question has reference, of course, to the large modern programme of improvement. You might say between 1911 and 1921, as far as that is concerned.

Mr. GRAHAM: If my hon. friend will allow me, that will not get him the information which I assume he wants. A plan of development of Halifax harbour was entered upon previous to 1911, and quite a large amount of money was expended on it. Does he desire that information as well, or only with respect to the new improvements? I want to furnish the information required, but I find myself embarrassed in regard to the period to be covered.

Mr. STEVENS: I suggest that the motion be amended to read "between the year 1911 and December 31st, 1921."

Mr. SPEAKER: Stands as amended.

QUESTION PASSED AS ORDER FOR RETURN

CANADIAN RAILWAY EQUIPMENT—PURCHASES BY AMERICAN RAILWAY COMPANIES

Sir HENRY DRAYTON:

1. How many cars and locomotives have been purchased in Canada by American railway companies operating in Canada during the past twenty-five years?
2. What is the amount of duty paid by American railway companies for American rolling stock used in Canada during the past twenty-five years?

INQUIRY FOR RETURN

SIX NATIONS INDIANS

Mr. M. C. SENN (Haldimand): I would like to inquire about a motion standing in my name which was passed on March 31, asking for a copy of the report of the royal commission appointed to investigate conditions among the Six Nations Indians.

Hon. CHARLES STEWART (Minister of the Interior): The report is in our hands. I believe the hon. member for Brantford (Mr. Raymond) is also interested in this matter. I shall be very glad to put the report at the disposal of my hon. friends, but for reasons that I do not care to disclose we do not desire to make it public at the moment.

CHICAGO DRAINAGE CANAL

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday the hon. member for North Toronto (Mr. Church) asked a question respecting an order of the House that had been passed for the production of all papers regarding the diversion of water by the Chicago Drainage Commission, and an application for the construction of a power dam on the St. Lawrence river near the town of Morrisburg. In reply, the hon. Secretary of State (Mr. Copp) mentioned that the papers had been brought down two or three days ago and were on the Table. The answer was correct in respect to the second subject, the application for the construction of a power dam on the St. Lawrence river near Morrisburg; it was not correct as regards papers referring to the diversion of water by the Chicago Drainage Commission The delay in bringing down the latter papers is due to our not yet having received the acquiescence of the United States government. I do not think any exception will be taken. It is I understand, the wish of the American government that the papers should be brought down simultaneously at Washington and here. I expect to have the matter settled within the next week.

[Mr. Speaker.]

THE BUDGET

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

The House resumed from Wednesday, April 30, the debate on 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 Mr. Woodsworth.

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, when the debate was adjourned yesterday I was endeavouring by quoting figures to demonstrate the great mineral productivity of Northern Ontario, and I will ask the indulgence of the House to-day if I continue to quote figures in this connection, hoping that by so doing I may make known to the members of this House and to the people of Canada the wonderful wealth which we possess in northern Ontario. I feel, Sir, that we are on the eve of a tremendous development in that north country, and if by making known the wealth that exists there we can attract the attention of the youth of the land I have hopes that we may be able to check the exodus to the United States, for I feel that no part of Canada offers greater inducements to the young people of our country than the great northland.

The northland is comparatively new. The first discovery of silver was made in 1903. I have often heard it stated that the Temiskaming and Northern Ontario Railway was constructed because of the discovery of minerals in the north. Sir, I wish to correct that impression. The Temiskaming and Northern Ontario Railway was built by the Ross government as a colonization railway, and it was during its construction that the first discovery of silver was made close to the town of Cobalt. Since that discovery, which attracted the attention of mining men everywhere, the area has been greatly enlarged. The prospector moving from the silver country gradually extended his operations until, a few years after the discovery of silver, gold was discovered at Kirkland Lake. To-day the gold camp of Kirkland Lake and Porcupine is one of the most interesting in the world, and we now possess in that north country the second largest gold mine. The production of gold has been increasing very rapidly from year to year, and it is the opinion of geologists who have visited this area that northern Ontario will soon become the largest gold producing area in the world.

In order that you may fully grasp how great this development has been, I will give you the figures of the production of gold since 1908. In 1910, the first year in which gold was shipped from the northland, the production was valued at $68,488. In 1915 it was valued at $8,501,391; in 1920, at $20,668,692, and for the six months ended July 1, 1923, the value of the production was $8,643,162. This gives a total shipment of gold from 1908 to 1923 of $116,454,125. This has all been accomplished within the last twelve years, and this great development in the north has taken place without any government assistance. The development is comparatively new, and when we consider the financial situation of the country and our transportation problems, it is easy to realize what an important part the development of these mines in the north is going to play in overcoming our difficulties. The dividends paid by the Hollinger gold mine alone from 1910 to 1922 amounted to $19,632,000. In 1922 the Hollinger mine treated 1,400,000 tons of ore, of a value of $12,700,000, and paid in dividends $3,198,000. When we stop to consider how the development of these mines in the north affects the whole industry of the country, it will be seen that the time has arrived for the people of this country to realize what great assets these are, and to assist in developing these great natural resources.

But northern Ontario does not possess mines alone. It offers greater opportunities for agriculture to-day than any other section of this Dominion. The great clay belt lying parallel to the Grand Trunk Pacific is now being rapidly settled by a hardy class of settlers, who find a natural market for their products in the mines. There is no more fertile land in Canada than is found in this northland, and there is room for thousands of more settlers to go in there and take up agriculture.

We have also in northern Ontario an almost unlimited supply of pulpwood and timber. We are developing sufficient water power for the needs of our mines, our pulp mills, and other industries, and we have besides a hardy, hard-working and intelligent population. Many of them joined the first rush of adventurers after the first discovery of minerals in the north, and they are now assisting in developing that northland. The district of Nipissing to-day is supporting a prosperous population of over 50,000, and we hope to see during the coming summer the biggest rush since the discovery of the camp.

Besides assisting in the development of minerals in the north there is left still another great task for this government, and that is to assist in the development of the iron ore deposits of northern Ontario. Ontario possesses an unlimited supply of ore. It is sometimes called low-grade ore, but we have deposits of siderite which should not be classed as low-grade ore. The only difficulty we have had with our ore is that it requires sintering; that is, it has to be roasted and the deleterious matter driven off, but once it has been sinterized the ore is fully as of high a quality as the ore produced by the high-grade mines of the United States. We have now arrived at the time when the government must take into consideration the importance of developing these iron deposits. The high-grade ore deposits of the United States are now within calculable distance of exhaustion. Those high-grade ore deposits are now controlled by the large steel corporations of the United States, and every year we find the amount available to Canadian refineries considerably reduced. It is a known fact that the large iron and steel corporations of the United States now have their agents here in Canada looking over our ore deposits, and it behooves the Canadian people to see that Canadians be given the first opportunity of securing control of these deposits. We have assisted agriculture, live stock, and industry generally in this country, and if the government will give the same assistance in this case that it has given to others we can easily create in Canada a steel industry which will contribute immensely to our further industrial development. During the last ten years up to March, 1923, Canada had imported from the United States iron ore to the extent of 10,231,451 tons. During the last fiscal year the amount brought in was 701,993 tons. The reason that iron ore deposits in Canada are now closed down is due alone to the difficulty that exists in sinterizing the ore. At the present moment the large American steel corporations, realizing that their high-grade ore deposits are rapidly approaching exhaustion have commenced to sinterize their low-grade ore, and it has been demonstrated to the satisfactior of those interested in the iron and steel business in this country that Canadian ores can to-day, with slight assistance from the government, be made suitable for the furnaces. Canada requires and will require in the future large quantities of iron and steel. Our 3,500 miles of railway and our shipbuilding plants require the manufactured ore for ships, locomotives, rails, cars and other machinery. Our five and a half million farmers

and our mining mills require machinery, agricultural implements and tools. Canada cannot produce these goods until it develops both its iron mines and water powers, and I might state that on the Ottawa river, in northern Ontario and part of Quebec, we have to-day sufficient water power to attract iron reducing plants. With the iron ore and the water power there, there is no reason why Canada cannot develop a great and flourishing industry. We all know how valuable to a country the iron industry is. I think it is safe to say, Mr. Speaker, that the iron and steel industry is the key industry of the world to-day.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, in rising to speak on the budget I do not wish to take up much time in discussing either protection or free trade from a theoretical point of view. A number of years ago I had a friend who was a professor of economics, and he made the statement that no one could teach economics without teaching free trade. However, I am not going to occupy any time in discussing the question—in fact it would be needless—nor, in speaking of a low or high tariff, to add anything to the eloquent, instructive and convincing address that was delivered here the other evening by the hon. member for Brome (Mr. McMaster).

I shall devote the time at my disposal this afternoon to reviewing to some extent the conditions that exist at present in Canada, and I shall say a few words upon some of the difficulties that face us and the possible means for overcoming them. Since the fateful days of August, 1914, we have been living under entirely new conditions. Nations everywhere have been seeking for some way out of the difficulties which now confront them, trying to adjust themselves to the new conditions which have arisen, and to resume their normal course of progress. In almost all cases this has been found to be no easy task. Captain Sinclair, speaking the other day before the Canadian Club in the Chateau Laurier, made the statement that throughout the whole continent of Europe the material and economic conditions could be characterized as nothing but shreds and patches. He also made a further statement, that to me suggested cause for anxiety—that in a great portion of Europe to-day moral and religious feelings have almost ceased to exist. I hope, Mr. Speaker, the latter statement is not true, because if religion and morals go all will go. I hope that the conditions in that respect at least are nothing like as bad as Captain Sinclair portrayed, after having made a tour of Europe which lasted almost three years. I think he also made the statement that in Italy the population was increasing rapidly and production decreasing—that there were more feet below the table and less food on the table. Now, that is the state of affairs we find at the present time; thirty-six nations trying to adjust themselves to new conditions, to new physical boundaries not always drawn in conformity with race, or religious belief, or even economic interests. What are these nations doing at the present time? We find them building up high tariff walls, making it more difficult to have a free interchange of commodities, keeping alive the passions, the hatreds and the jealousies that have worked so much evil in that old continent up to the present time. I think every student of history will admit that after wars have passed away, after the din and the tumult have died down, and people have the opportunity to consider just what the causes of those wars were, it has generally been found that they originated in desire for territorial aggrandizement or commercial expansion. I claim, Mr. Speaker, that the confusion in Europe to-day is greatly intensified by the fact that the nations there have not cultivated any friendly sentiments in the way of commercial intercourse or interchange of commodities; they have rather built up high tariff walls one against the other. We are getting no light or leading from the continent of Europe to-day.

Now, we are told continually that because other countries are adopting high tariffs we should do the same. But that is one example that I am not prepared to follow. When we come to Great Britain what conditions do we find there? Think of those wonderful islands, think of Great Britain the mother of nations, and her tremendous achievements! In these days I think we are very proud of the Old Land. With your permission, Mr. Speaker, I shall read a clipping that I took this morning from the Ottawa Journal. Doubtless most hon. members have read it, but nevertheless it is so good that I wish to place it on Hansard. The article is entitled "Hats Off to Britain." and reads as follows:

> Britain's financing stands as a continuing marvel. Before the war there were those who said (some said it gleefully) that the people were decadent, that her financial, moral and physical foundations were crumbling, that she was going the way of the great empires of the past. Britain's answer was to fight the most colossal war in history, to pour out blood and treasure unstintedly, to buttress and finance most of her Allies, to write deeds of heroism, fortitude and courage that will live while men remember.
>
> And since the war, what has been her record? While other nations bowed before the aftermath of the storm, she has marched from triumph to triumph. Her

word her bond as of yore, this "Perfidious Albion" has fulfilled her every obligation. Reeling under a world-wide catastrophe, beset by troubles at home and abroad, dragged down by creditors who either would not or could not pay, she has paid her debts, paid to the last farthing, asked for no favours other than her due, and is emerging from the tempest with honour unsullied and her credit and name unimpaired. . . . .And that credit is being maintained under the leadership of Ramsay MacDonald. During the past year Britain faced prodigious problems at home and abroad. She encountered unemployment, strikes, and industrial depression. She paid out millions and tens of millions for pensions and doles. She had to maintain a mighty army and navy. And she had to face all the expenditure incidental to the administration of an empire which embraces one-fourth of the world's territory, and one-third of its population.

Yet this week she produced a surplus. Produced a surplus of $240,000,000; and in consequence, reduced her floating debt by $175,000,000; abolished her corporation tax; and lightened the food taxes of her people.

Yes, hats off to Britain! In peace as in war she stands as the spearhead of progress. While other peoples have let strife visit them with chaos, she has toiled for peace and reconstruction. In a world of turbulance and hatred she has not been afraid to disarm. And while racial suspicious and greeds and jealousies have been turning the world into a Witches' night, while parliamentary government has been going down all over the world, she has been giving a magnificent example of the robustness of her democracy, extending the boundaries of freedom in her Empire, and to-day, after 1,000 years, the greatness of her dominion knows no westering sun. To-day, indeed, we can say of her, in the words of a celebrated poet:

> Set in this stormy northern sea,
> Queen of these restless fields of tide,
> Britain! what shall men say of thee,
> Before whose feet the worlds divide?

I want to point out to the House Mr. Speaker that the nation depicted in these glowing terms is free trade Britain. Some hon. members to my right have stated that Great Britain was not a free trade country, that to some extent she is a protectionist land. In the main there is no doubt that the United Kingdom to-day is a free trade country.

Mr. CALDWELL: They also stated that Great Britain was a nation of paupers.

Mr. FORKE: I think I made the remark yesterday that conditions in Great Britain were not really so bad as some hon. members seem to believe. I think the editorial which I have just read from a newspaper which is, perhaps, not friendly to free trade ideas, is well worth repeating. The other day I received a copy of a newspaper published in my old home county, in Scotland, sent to me by someone in Toronto whom I never saw. I read it very carefully, as I was interested in the different items of news from a social and business point of view. Trying to read between the lines in order to find out the social and business conditions existing in the locality in which I was born in Scotland, and without prejudice trying to find out just what was being done over there, I could see no great indications of any tremendous troubles in that country greater than we are experiencing at the present time. Social life seemed to be swinging along pretty much as usual, and, judging from the wage report, I could not see that there was any material difference between the agricultural workers in Scotland and those in Canada at the present time.

I turn now to the United States for a few minutes. The United States is held up to us as one of the great examples of what protection can do for a country, but I would like to point out that the United States has great advantages in climate and natural resources. Perhaps no country in the world has the same advantages as the United States in these respects. Coming to more recent years, the United States was enabled to realize huge profits from war contracts before she ever entered the war, and in no way can you compare protective United States with a country which has been in the same position as war-worn and weary Europe is at the present time. I am going to speak more about the United States later. We have no reason to compare the condition of Canada with the condition of the United States. The burdens which are being carried by the United States, with its wealth and population, cannot be compared to the heavy burdens which Canada carries at the present time. Canada entered the war, made sacrifices in human life, money and wealth and in every way incomparably greater than any sacrifices the United States has made. Therefore United States' prosperity and Canada's trouble cannot be compared in any way, through either the tariff or the want of a tariff; that has nothing to do with the question in any shape or form. In Canada we have a rich and fine country with great natural resources. The hon. member who

4 p.m.

has just addressed the House (Mr. Lapierre) dwelt upon the mineral wealth of Canada. I had the privilege to-day of listening to an address in the Chateau Laurier by Professor Wallace, of the University of Manitoba. He was at one time commissioner for northern Manitoba and I think also president of the Mining Engineers' Institute. He is a man well acquainted with the mineral possibilities of Canada, and it was cheering indeed to listen to the address in which he stated what he considered to be the possibilities of our future development in that line. He spoke of that vast stretch of territory to the north which is sometimes the despair of some of us who wish to see Canada

a united country. Speaking of our mineral wealth, he believed that mining and lumbering and other industries would bring about such vast development in that vast stretch of territory that it would link up what we now call the East and the West into one complete whole. Canada has a temperate climate.

Mr. MANION: Would the hon. member tell the House what Professor Wallace said about industrial development in the prairie provinces?

Mr. FORKE: I thought the hon. member for Fort William and Rainy River (Mr. Manion) was going to ask what Professor Wallace said about the Hudson Bay railway—

Mr. MANION: You can tell that too.

Mr. FORKE: —and I am sadly disppointed. However, since he has mentioned the subject, I think I will say that Professor Wallace believed the Hudson Bay railway and the whole scheme a very feasible project.

Mr. MANION: What about industrial projects?

Mr. FORKE: I was going to come to that later on, if the hon. gentleman had waited. But I will say a few words, now that he has called my attention to it. Professor Wallace pointed out that the vast resources in the prairie provinces in the shape of coal would make it quite easy for that country to be developed from an industrial point of view; and that in time to come industries would grow up upon the prairies, and, that we would have a more diversified production than we have at present. I am sure I do not wish anyone in this House to believe for one moment that I am not in favour of industrial development. I do not think any member in this House would have anything to say against industrial development in Canada. The only fault we have ever found is that an attempt has been made to foster some industries which seemed to be unable to suit themselves to the conditions found in Canada.

With reference to the budget brought down by the Acting Minister of Finance, (Mr. Robb) I am sorry that he is not in his place, because I would like to have complimented him upon the businesslike way and the intelligent form in which he presented that budget. But I have some little criticisms to offer. I think the ex-Minister of Finance (Sir Henry Drayton), in that short speech he made after the budget had been delivered, stated rather jauntily that it was a matter of book-keeping whether you had a surplus or a deficit. Perhaps it is a matter of book-keeping, which is rather staggering to the ordinary man in the street, but I am sure that there must be something more than just book-keeping behind it, and there must, in a financial statement, be either a balancing of accounts, or a surplus or a deficit. I am not going to enter into any discussion or analysis of that financial statement. I think most of us have a complete grasp of it and know exactly what it means. To some extent at least it is very satisfactory from one point of view, namely, that we have at last turned the corner and are moving in the right direction, and that in the not far distant future some reductions will be made in our national debt. I agree with the hon. member for Brome (Mr. McMaster) that a financial statement might be made in such a way that all the commitments of the country and its liabilities could be stated so plainly that the ordinary man in the street would understand just exactly what the financial condition of the country was. I know that almost all finance ministers, Dominion and provincial, have a universal habit of making as favourable a statement as they possibly can. I have heard it said that this is done to help the credit of the country and to make the best showing possible, but really I do not think it can amount to very much after all, because when we are dealing with financial people, surely they are quite able to analyse a financial statement and will do so, and really it does not matter very much if in that statement, the very best showing is made, to help the country, I think that all the liabilities for which the country is accountable should be clearly understood by the people; they should not be charged at random to this account or the other, but should be so set out as to be intelligible to the ordinary man who sometimes is bewildered by our present methods and certainly does not know just where we stand.

Let me say a few words in regard to the necessity for economy. We have great national obligations, huge war debts, heavy fixed charges and liabilities in connection with our national railways, all of which must be met. Unfortunately, all governments, Dominion, provincial and municipal, have spent money rather too freely during the last decade, with the result that taxation has assumed considerable proportions. A great deal of the obligations for which the people of Canada are to-day responsible are fixed charges which will have to be met for several years, and we must realize to-day that for some considerable time yet to come the road before us will be a difficult one. This

increases the necessity for the most rigid economy in the conduct of our public business, whether it be on the part of the Dominion government or the smallest municipal council. Any one who has had anything to do with public business knows that people in office always have demands made upon them which are larger than they can possibly undertake. That is common experience; certainly I know it is the fact in municipal affairs. I believe that society generally to-day is demanding greater services and more conveniences than it is willing to pay for, and that is one reason why people in office should be exceedingly careful about expenditures. I think it was Samuel Butler who said that progress first began when man sought to live beyond his income. On that principle it seems to me that we are progressing rapidly nowadays. I have no doubt there is a germ of truth in the suggestion; because if we are entirely satisfied with our conditions we are not likely to make much progress. At all events, I think that every one who has anything to do with the spending of public money should bear this truism in mind. There are, however, certain public services that should not be neglected, no matter what our views on economy may be. For example, while the question of public health refers perhaps more particularly to the provincial sphere, I think it is one of the utmost importance. Under no conditions should anything appertaining to the health and the physical welfare of the people be neglected; that would be false economy, and I trust that both Dominion and provincial governments will carefully avoid it.

Another important department of public service is the education of our people. I know that a very long address might be delivered on the question of education, and I do not think there is a member in this House who would not have at least some views to contribute to a discussion of our system of education and its results. We no doubt all agree that it is one important phase of our national life that calls for the greatest attention, and while economy should be practised to as great an extent as possible, nevertheless all needful expenditures in this direction must be made. Now, the term "education" is comprehensive, it is very wide in its application; and an important aspect of education is the training of men in engineering, mining and similar industries. Perhaps that is a side of the subject that we never think of, and I would impress upon the House that while our young people are being educated for the purpose of pursuing various lines of endeavour, the dignity of labour should always be upheld. I think that we are going astray a little in this respect. The man who soils his hands in honest labour to-day is not, I think, received with sufficient respect by the great bulk of society. I sometimes feel, as I have no doubt most people have felt, that when one has done a creditable piece of work, either physical or mental, he has created something which in some way or other will be of service to mankind; and there is certainly a great deal of satisfaction to be derived from that source. I want to see labour dignified everywhere as something honourable, so long as it serves society and contributes to the general happiness of the people.

I want to say a few words about manufacturing, and I confess that I enter upon this ground with the greatest timidity. Of course, a number of hon. gentlemen in the House are accustomed to addressing us on this side on the subject of agriculture, telling us what we ought to do in order to carry on our business. So that I may presume to say something to the manufacturing interests, though I shall be rather cautious in what I say. I have no other wish than to see our manufacturing industries prosperous. In the past few weeks there have been many complaints regarding conditions in connection with these industries. I have received letters from almost every place where manufacturing is being carried on in Canada, indicating how dangerous and critical a position that particular industry occupies at the present time. In these communications I am told, virtually, that it would be criminal to do anything that might tend in any way to injure the business. Now, I am not inclined to take so gloomy a view of the thing, nor do I believe that the manufacturing interests themselves are as pessimistic as some of them pretend,—perhaps I should not use the word "pretend," but hon. members know what I mean. I have watched the agricultural implement people and I want to give them credit for this fact, that since the budget has come down I have not noticed very much whining on their part; rather, they are buckling down to work, and the first thing we know, the agricultural implement industry will be prosperous in the next year. It has struck me as something rather strange to notice the general tone of the prospectuses that are put out by several manufacturing concerns to-day. The account that they give of themselves in these documents is very different from the one which they give when writing to some hon. members in this House.

I have no doubt that members of the government get these letters, too. The prospectuses, I say, tell an altogether different story. For instance, I notice a prospectus issued by the Howard Smith Paper Company appearing on the first pages of MacLean's magazine, and the statement is a very bright one. They are selling their bonds guaranteed at 7 point something per cent and they say that they have cheap power, that they cannot supply the domestic demand, and that their export business is growing rapidly. One of the things that bother me a little—and I do not think that I am misinformed—is the fact that this company is selling its products cheaper in the United States than it is selling them to Canadian consumers. I suppose this would be called dumping. We hear a great deal about patriotism and the love of people for Canada, and we are urged to see that Canada shall prosper, and so forth. Yet those people who talk that way turn round and charge their fellow countrymen a higher price than they ask the foreigner to pay. I know very well everything is not flourishing; in the United States also manufacturing concerns are closing down through over-production. I put it another way—not over-production, but under-consumption, lack of demand, inability of the people to purchase the goods that are being produced. We had war industries and over-stimulation; to-day we have industries that are over-developed, over-capitalized, and consequently burdened with too heavy overhead expenses. These are our troubles.

How do some members want to remedy these evils? They would put the tariff up a little higher, in other words charge the people a little more for the goods that even at the present time they are unable to buy. Because, Mr. Speaker, there is no other conclusion to be reached: If you are going to raise the tariff it must be for the purpose of raising the price of the manufactured product. I claim that to-day the trouble is not over-production, but inability on the part of the people to purchase the goods that are being produced.

Now a word in regard to the employees of some of our industries. I know very well what their feelings must be when they get slips in their pay envelopes such as we have received copies of. They are very human, they are people just like you and me. When they open their pay envelopes and find a slip to the effect that if a certain line of fiscal policy is followed the concern for which they are working will be closed down and consequently they will be out of employment, we can easily imagine their feelings. They are going to be afraid of losing their jobs, and therefore when they have the opportunity they will vote in favour of the policy which their employers tell them is the only policy by which the industry can be maintained. I think, Mr. Speaker, that this is a very unfair method to employ. No one presumably is prepared to deny the authenticity of these slips, some of which I have in my office upstairs.

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: Hon. gentlemen may laugh. They may think that an honourable way of doing business; I do not. It is the very cheapest kind of propaganda, for those engaged in it are not even paying advertising rates. We hear a great deal about maintaining the high standard of living of those engaged in Canadian industry. Of course, we are told that it can only be maintained by means of the tariff. The inference might be drawn that if you want to reduce the tariff, then, as a matter of course you want the workers in our factories to accept a lower standard of living. But in reality nothing is further from the fact. None of us want to see Canadian workmen forced to accept a lower standard of living. What are wages—real wages? What are the wages that the average working man or working women gets to-day? Briefly these wages represent food, clothing, shelter, some luxuries, a little play, and something to lay by for a rainy day; that is what I may call adequate wages for working people. Forty years ago I happened to live very near a large manufacturing centre in Scotland—Galashiels and Selkirk. To-day the people there are carrying on just as industriously as they ever did. It is a long time to look back to, but my recollection of the people who were working in the large factories in that district at that time is this: The men and women were neatly dressed, and their standard of living forty years ago was just as good as the standard of living of our industrial population to-day. Such a statement may perhaps be questioned, but I think it is correct. I am inclined to believe that the standard of living of those employed in the free trade factories of England will compare favourably with the standard of similar workers in any protected industry in Canada at the present time.

To-day a dollar buys less in Canada than in any other country. The cost of living is high, the cost of production is high, and consequently our manufacturers are not able to

compete in the outside markets. In a word, we are working round in a vicious circle. I know it is quite natural for a man in receipt of high wages to complain if his wages are reduced. But if you increase the purchasing power of his lower wages he will be just as well off. High wages deceive working men, for certainly they do not add anything to his well-being if everything he has to buy is high in proportion. This, as I said before, is the vicious circle. It may work out apparently satisfactorily while one industry is able to charge another industry high prices, but when the primary industries have to sell their products in the markets of the world they find themselves at the bottom of the pyramid and in the worst state of any class in the Dominion.

We have heard a good deal from time to time in this House about a protective tariff compelling American industries to establish branch factories in Canada. Well, I saw a statement the other day—I hope it is not true—that the economic control of Canada is rapidly passing to Wall street.

An hon. MEMBER: No.

Mr. FORKE: Well, I hope it is not true. But what are the facts? What are the American industries now located in Canada doing to develop this country? They are owned by American capitalists, and a good many of them are absorbing Canadian concerns. But over and above all, most of these American factories are simply nothing more nor less than assembling plants, established here to take advantage of our tariff. I do not think this is likely to develop our country to any very large extent. I saw a statement recently that 31 per cent of our Canadian industries are connected in some way or other with American capitalists. This perhaps may not be true, yet I think probably it is truer than most people will admit. This, it seems to me, may be termed peaceful penetration. So when we boast about our tariff policy compelling American concerns to establish branch factories upon Canadian territory, the effect may be such as we had never contemplated. I am inclined to believe that our national structure will be built on a much safer basis, on a low tariff basis, on almost a free trade basis, rather than on a high protective tariff resulting in the establishment of American branch factories on this side of the line. American concerns have been assembling in their Canadian plants parts of American-made automobiles for export to Great Britain, thus securing the advantage of the British preference and putting money into their pockets.

Just a word in regard to our home market. We hear it remarked so often that the Progressive party have no use for the home market. I do not think anyone despises the home market. The home market is good, and we want all we can get of it. I would be only too happy if Canada could provide a home market for all its products at fairly reasonable prices, so that we might all live happily no matter what industry we are engaged in. But surely, surely, hon. members to my right who have been lauding the home market as the solution of our economic difficulties must realize that, measured by the progress we have been making under the National Policy, it will be generations before the home market can even begin to consume any large proportion of the products that are raised in this Dominion year by year. They have high protection in the United States, where there is a population of a hundred and ten millions. Hon. gentlemen tell us that the condition of the American farmer is a great deal worse than the condition of the Canadian farmer, yet in the same breath they say that if we had a larger and more diversified population the troubles of the farmer in this country would be over. The farmers in the United States are beginning to understand that when that country reduces her imports there is a condition which militates against the prosperity of the agricultural population. But, Mr. Speaker, I believe the day is not far distant when we are going to see a change of policy in that country from the one that is at present being followed. The United States has prospered not because of a high tariff policy, but in spite of a high tariff policy. They have a varied climate, they have great natural resources, they have an immense area within which free trade prevails. Just imagine, if you can, the thirty-six nations of the old continent of Europe cutting down their tariff walls and following the example of the United States—because if they did that they would be doing no more than the United States is doing to-day. If that could be done we would have that old continent rejuvenated in a very short time; at least its condition would be a great deal better than it is now. The United States is no example of the benefits of a protective policy.

I want to say just a few words about the policy of the Progressive group in this House. I think I saw it stated in the Montreal Star the other day that the Progressive movement was more than a political movement and that there was a necessity for it from the economic point of view. The editorial went

on to point out that the condition of agriculture, especially in the West, I think it said, was serious, indeed was almost tragic. I do not want to emphasize that any more than is necessary, but of course the Star had a different solution for these difficulties from that which the Progressives have been advocating in this House. At the same time I think it was a good deal for the Montreal Star to admit that we were not playing politics, that there was something more behind the Progressive organization than a political movement, that it was an economic necessity that brought the Progressives into the prominent part that they have been playing in the public life of this country. In fact, the Star admitted that there was good reason for their existence, that they came into existence because there was necessity for their being—I am paraphrasing the statement of the Star. I hope that we are not going to hear any more assertions to the effect that we are playing politics.

Some hon. MEMBERS: Oh. oh.

Mr. FORKE: Well I am very glad to be able to afford my hon. friends to my right a little amusement. We have been the subject of a good deal of criticism from that quarter of the House during this session. It is the privilege and the opportunity of my hon. friends to do that, and if they are at all pleased to do it I am sure that hon. members on this side have no fault to find with it.

Mr. LAPOINTE: The same with us.

Mr. FORKE: The flowing tide is with this movement. We are confident in the belief that the development of the primary industries will under more favourable conditions make for the prosperity of all the people, and of the secondary industries as well. We want something that will be for the benefit of Canada, not for the benefit of any particular province. We hear a great deal about the policy that was inaugurated by Sir John A. Macdonald, but we are not living in the Canada of Sir John A. Macdonald to-day. Vast commercial and economic changes have taken place in Canada since those days. A great new factor, a huge producing and consuming power, has come into Canadian life. Twenty-five years ago the western prairie provinces had little effect upon the public life or the commercial life of this country. Let any member of this House honestly ask himself what effect the crop prospects of western Canada have upon the whole Dominion at this time. Every year from springtime until the wheat begins to roll over the railways to the markets of the world, every man in business, every man engaged in manufacturing is watching the crop barometer to see what its effect will be on the business life of the whole community. Does anyone say that conditions are the same to-day as they were in the days of Sir John. A. Macdonald? Are we forever to be tied up to traditions of that kind? Are we never to take any step forward? Is there to be no improvement? We have been passing through difficult times; we have been looking for help, for guidance, for a solution of our difficulties, and what are we getting from my hon. friends to my right? A little higher tariff; increase the cost of production, they say, and all your difficulties will vanish. I am well aware that if you were to obliterate the tariff all our difficulties would not be solved, and I do not think any hon. gentleman in this part of the House will think differently. But we believe that a lowering of the tariff will help conditions materially for everyone concerned.

I repeat that there will be no real improvement until the cost of production has been lowered, and this is where industry can help. I do not believe that the condition of industry in Canada is so terribly bad as we are led to imagine. I cannot help but think that we have Canadians with enough intelligence, enough natural ability, enough business sense, given proper conditions, to produce in Canada and to compete with any country in the world. Why can we not do it, if we get the raw material and the labour? We are continually told that labour is higher here than it is in other producing countries. Well, I have questioned that, because wages have to be gauged by their purchasing power and the purchasing power of wages in Canada to-day is not much better than it is in a great many other countries. Of course, we are always asked to look to that highly protected country on the other side of the line, where wages are just as high as they are in Canada, and we are told that we cannot compete with that country of high wages. Sometimes you hear about "mass production", but we can never have mass production under the present circumstances. If you will allow me to make a personal remark Mr. Speaker: When I was home at Easter the young man I have in charge there said he would like to get a double disc drill. I have two very good shoe drills—farmers will understand what I am talking about, and probably the rest of the House will. But this man is young and quite ambitious and I thought I would like to please him. I went over to the town and asked what was the price of a double disc

drill. The reply was, $266. Well, I just gasped. I went home and I said "You had better cultivate ahead of the shoe drills and we will do without the double disc drills". That is exactly the position of the farmers on the prairies; they are unable to purchase the goods that are being produced. Will it help business if you add 10 per cent to the price of that drill and make it almost $300? Will it make industry flourish and prosper to produce another drill that nobody would be able to buy? I want to be clear on this matter; I want to be fair and honest with my friends to my right, because I think if we could really understand each other, perhaps there would not be so much difference in this House as there seems to be sometimes. I speak more particularly with regard to our implement manufacturers to-day; I think the trouble with the Massey-Harris Company, for instance, is not the cost of their production, but that they are not able to produce in sufficient quantities to make their business pay, in view of their overhead expense. I may be wrong, but that is my opinion, and we are not able to get that increased consumption until we get prices lowered, and I have been trying to show how we may be able to reduce prices.

I admit that in rehabilitating this country agriculture has to do its part. I am not going to tell industry and business that they have to do so and so and that agriculture can lie down and accept conditions as they are, even in carrying on its own business. Changed conditions require changed methods, but no artificial bolstering of weaklings will help business or the farmer. There must be business methods and industrious habits. I am not afraid of this country suffering from cheap goods. Sir Frederick Williams-Taylor —and I am sure my friends to my right will take his word, he is not a farmer by any means—made the statement the other day that prosperity cannot return to Canada until agriculture becomes prosperous.

Now I want to say a few words about wheat farming. I went down to that mining banquet to-day, and I wondered just on what terms I was there as a guest, and it struck me that perhaps I might be there as a wheat miner; but really I was not there in that capacity. We have very often heard the expression used in this House with regard to the wheat farmers of the West, that they are "wheat miners." I do not want to make any harsh statements about any members of the House, but I think my friends will admit that when they look over to this part of the House and talk of the wheat miner, it is not very complimentary, to say the least. What is wrong with wheat production? Are we not all anxious to see how the wheat crop in the West is prospering, and how many million bushels are going to come East to grease the wheels of industry? Then why pour contempt on those who are producing that wheat? Mr. Speaker, the people who talk that way do not understand the conditions that have existed in western Canada during the opening up of that great country. It would have been an utter impossibility for that country to be opened up if wheat had not been produced in large quantities, and produced easily. That is how that country has been opened up, and that production is responsible for the factories that have been built in eastern Canada to supply agricultural implements to the people who are engaged in raising the wheat. I believe that for many, many years to come wheat growing is to be the one great industry of the three western prairie provinces. I have no hesitation in saying that, and it is no use talking of "wheat miners" in a contemptuous sort of way. If hon. members would only consider what it means to start and fertilize 640 acres—it might be possible to fertilize a five or ten or twenty acre farm —but when farming is conducted on the large scale on which it had to be conducted in the early process of opening up the West, it would be an utter impossibility. Wheat farming, while it does to a certain extent rob the soil, is an absolute necessity in opening up that country and building up industry there. It is that which enables the farmer to build his home and outbuildings, and buy his implements and all the other articles he needs to carry on production. In process of time, of course, there will be change. As I said before, changed conditions require changed methods, and in our older province of Manitoba a change is gradually taking place now, and no doubt in the future there will be more diversified farming carried on.

This brings me to say just a few words with regard to credit. I have not yet had the opportunity of reading Dr. Tory's report in regard to agricultural credits, and I have only this to say at the moment: There is a need for credit of some kind that will carry the farmer over from three to five years. I can imagine conditions in southern Manitoba to-day where the farmers who are aware that they cannot count on wheat as a safe crop may be willing to turn to mixed

farming, and will need credit to carry them over that length of time in order to enable them to engage in more diversified farming. However, I want no credit that is just going to mean an increase of debt. I am perfectly well aware of the fact that in the West credit has been too easy to get in a great many instances, and it would have been a blessing sometimes if farmers had been refused credit when they were seeking it.

Courage is needed to-day by all sections of people in this Dominion. Whether we are engaged in industry, in commerce or in farming, we all need courage to face the difficulties that are ahead of us, and, Mr. Speaker, I cannot but think at the present moment of the rural homes all over this Dominion. When we speak of the standard of living, I certainly do not want to see the standard of living reduced in the rural homes of this country, and I am perfectly sure that my friends to my right who have been speaking so much on behalf of our Canadian manufacturers will fully agree with me in that sentiment. We do not wish to see the standard of living reduced in our rural homes, but that is what is taking place to a very large extent to-day. Out on the prairies—and I speak of the prairies because I know conditions there, though I believe it is the same in other parts of Canada as well—the standard of living has dropped. There is no denying that fact. And if my blood stirs sometimes when I think of it, it is just because I know the conditions. I know what some of the heroic women who have done so much to develop that country have suffered, and it is no playing politics with me, I can assure you. But let us hope that a brighter day is dawning. Nations, must learn, as individuals learn, that they cannot live to themselves alone, that when one prospers all will prosper to a certain extent.

In closing, I think that politically things look brighter to me in this Dominion than they have done for some time past. I think the hard spell is over. But there is one thing I would like to say to the Acting Minister of Finance (Mr. Robb) in regard to the customs tariff. To be candid, there is something about that dumping clause that I do not like. Something, no doubt, may be said in favour of it, I know it is a complicated question; but it does seem to me to place too much power in the hands of any minister when he is able at any time to enforce a measure of that kind that may actually amount to high protection, if it is not very carefully handled. I do not know what can be done, but I do hope that the government will have some solution, and that some undertaking will be given to us before we are called upon to put the final seal of our approval upon the budget that is now before the House. I do not think anything can be said in favour of a minister having the power to put this clause in force at any time he chooses. I do not want the Acting Minister of Finance or any other member of the House to think that I am accusing them of having made a wrong use of this clause; my only object is to save them from themselves, to avoid placing temptation in their way. I hope that something can be done in that respect.

I wish also to say a word in reference to the amendment that has been moved. I am sure that the mover of that amendment (Mr. Woodsworth) is quite sincere, and that his intentions are good. There may be also some in my own party and group who may differ with me in this statement, but I say that the amendment, as moved at that time, was not in the best interests of the movement which we represent in this part of the Chamber. However, that is my own opinion; I am quite willing to let any other person have any different idea which he chooses to have. I suppose there will be a certain amount of what I may call "unholy glee" on the part of some who think this places the Progressives in a rather difficult position. Personally, I have felt no difficulty whatever. I am conscious that the course I am pursuing is the right course. It has seemed to me that if I voted for the amendment, which in reality would be a vote of want of confidence that I would have to vote against the budget also. That I think would be a mistake under present conditions. I know very well that out in the country—where it takes some time for information to percolate into all the different sections —some people will wonder why I should not be prepared to support an amendment that calls for a reduction of taxation on the necessities of life. However, I am not afraid, Mr. Speaker, but that with time and with full information, and when the whole statement has been received, I shall have the approval of the great mass of the people.

Now, I want to point out why I believe I could not support this amendment. I do not think that it accomplishes anything, I do not believe that it means anything, because it is only a gesture; and no one could suppose for a moment that it is likely to be carried by a majority of this House. On the other hand, there are two clauses in the amendment that I do not approve of, but disapprove of. One clause asks for a tax on unimproved land

values. Now, I took the trouble during my campaign in Brandon of sending out hand bills stating that I was opposed to any plank of this kind. Other members of this House may not have done the same. Nevertheless that is my position in regard to that particular plank and my reason for doing so was this. For several years I had equalized the assessments in the province of Manitoba both urban and rural. I knew the actual conditions of property owners in that province. Nowhere did I know of a single individual who would not be willing to sell his land and sell it immediately at the amounts it was assessed at and as a revenue producer this idea was absolutely and utterly useless—as far as Manitoba was concerned any way.

In regard to succession duties let me say this. The province of Manitoba has a succession duty at the present time and I would be opposed to the Dominion entering into that field until there had been a conference between the federal and the provincial authorities as to the boundaries of taxation. I do believe that such a conference ought to take place, and that there should be no overlapping in this matter of taxation. The boundaries should be clearly fixed showing where the Dominion or the provinces should enter this field. But the provinces are in the field now. They need that amount of revenue and I think they ought to have it. I have spoken in this manner because I really do not know the exact position of all the members in this part of the House upon that question. Each member can vote to suit himself; if he does so there will be no recriminations, there will be no faultfinding. I believe that when a man acts according to his conscience he can always justify his actions.

I have already said that so far as we are concerned there will be no turning back. We have our faces toward the rising sun, and we are seeking to clear away the barriers of special privilege and afford equal opportunity to all. Since I commenced speaking some hon. members have alluded to bargains that have been made. I want to make the statement clearly and without any equivocation of any sort that I am under no obligation to any other group in this House, save and except the group that has done me the honour of electing me as its leader and has given me its friendship and its support. I utterly deny and repudiate the idea that there has been any bargaining, or any dealing of any kind whatever, between the members of this group and those of any other group in this House. I made the statement at the commencement of the present session that the government would get the support of the Progressives when they brought in progressive measures. This has been twisted and used in newspapers in all directions, and by hon. members to my right, to prove that I had made some arrangement with the government in regard to their support. I make exactly the same statement to-day that I did on the former occasion—if the government bring in progressive measures they will get Progressive support.

With this statement I shall close my remarks. I have faith in Canada. I have faith that in the future we are going to solve our difficulties. But if there are any in this House who believe that the day of the progressive movement is over in Canada they are badly mistaken. Great changes have taken place all over the world. We have a Labour government in Great Britain to-day.

An hon. MEMBER: Yes, changes in some places.

Mr. FORKE: Just have patience. We can look forward to changes in the country to the south of us. I am not a prophet but I predict that there will be vast changes in the economic and political life in the great republic to the south of us in the not distant future. We, Mr. Speaker, have reached no standing place in this movement at the present time. As I have already said our faces are toward the rising sun, and we are going to march forward unafraid. We are not going to go back into past history and say that what happened forty years ago must be maintained to-day. We realize that mankind has not made a very good job in the conduct of the world during the last century. When we think of conditions as we find them; when we look at Europe and think of the misery, the degradation, and the sufferings that have occurred, the tremendous blunders that man, in his so-called wisdom, has made in the government of the world, do we feel satisfied that we are moving just as we ought to move? Are we afraid of making some step forward? Mr. Speaker, I look to the future hopefully, and I am not afraid to step forward and to enter upon new and untrodden paths.

Mr. W. F. GARLAND (Carleton): Mr. Speaker, I, like hon. gentlemen who have preceded me, must first of all congratulate the Acting Minister of Finance on the brief and concise manner in which he delivered the budget. But that is the extent to which I can go in congratulating my hon. friend. I also sympathize with the Minister of Finance (Mr. Fielding) in his illness, and hope that he will speedily recover his health.

Before entering upon the questions I desire to discuss this afternoon I wish to deal with a few points that were brought out by the hon. member for Brandon (Mr. Forke). I notice that in his speech my hon. friend has given evidence of having done very little thinking, apparently he has not thought very much as yet. I also notice that he resents extremely the advice tendered from different quarters of the chamber to the agriculturists. He says that the agriculturists resent that advice and properly so. I wonder if my hon. friend thinks the manufacturers of Canada will accept the advice he has given them this afternoon that they should take off their coats and get to work. I am of opinion that the majority of Canadian manufacturers are already working and working very hard. My hon. friend also said that the men who are workers in the factories will simply vote to keep their jobs.

Mr. FORKE: I did not say that.

Mr. GARLAND (Carleton): I think that we will find out there are some people, even members of parliament, who vote to keep their jobs. There might be also some parties who vote to keep their jobs.

Mr. CALDWELL: Speak for yourself.

Mr. GARLAND (Carleton): I notice my hon. fertilizing friend has something to say, but he will be able to make a speech when I am finished. The hon. member for Brandon (Mr. Forke) states that the worker likes to have a dollar to spend. The hon. member, if he will allow me to say it, being of Scotch descent, would know that perhaps the worker and the man in Canada would prefer to have two dollars rather than one, and that is what we are trying to get in this country. He also says that he does not want American capitalists to come here and make money. Personally I would prefer to have Canadian capitalists, and next to them I would prefer British capitalists, but if I could not get either of them, I would be glad to have American capitalists, and give our labourers some work.

Before dealing with the main part of my remarks, I would like to quote a few lines from Hansard with regard to the attitude of the Liberal party in reference to duties on agricultural implements and the like. At page 3343 of Hansard, May 4, 1914, one of the former leaders of the Liberal party, Mr. McKenzie, said:

> If protection is worth anything at all, and of course so far as my own industries are concerned and because I understand those industries well, I am in favour of protection of the industry of the country from which I come—

[Mr. W. F. Garland.]

> Some hon. Members: Hear, hear.
>
> Mr. McKenzie: I am always pleased to get a cheer from my hon. friends opposite. I cannot understand why I get a cheer on this occasion, because I have spoken in this House a great many times in the last ten or twelve years and when iron and steel and coal were under discussion I was always a tried and true protectionist.

Then we will proceed to an utterance by the present Minister of Finance (Mr. Fielding) in 1907 in discussing a motion to reduce the duty on agricultural implements from 17½ per cent to 10 per cent. He said:

> By a careful calculation we are advised that the drawbacks we allow are somewhat less than the disadvantage under which the manufacturer is placed by reduction of the tariff. Even suppose for a moment that he got everything free and had a duty of 17½ per cent on the implements, would that be an extravagant duty as things go in this country? I believe this proposal of the hon. member for Souris, if adopted, would do an injustice to an established industry. My belief is that if this motion were passed we would strike a severe blow at one of the great industries of the country. I believe the International Harvester Company would find it to its interests to close up its business in Hamilton, at least so much of it as is devoted to mowers and binders, and have them made at the American branch and bring them from the United States. The factory in Hamilton is an American concern. With a moderate duty we have induced American capital to come into Canada and to establish that great industry; and after we have brought it in and established it in Canada I believe that if we were to pass this resolution the company operating that industry would find it profitable to close the Hamilton factory and bring in the goods which they make in the United States.

That has been the contention that we have been bringing forward that that is what will happen with all the industries. We have not only our own thought on that, but we have the thought and expression that was given by the present Minister of Finance in that connection. I think this is very clear when he made that statement. With regard to protection, I am heartily in support of the principle of protection. One of the main reasons why I feel we should be in favour of protection, especially in the products of farms, is on account of the Fordney tariff. This matter had been placed on Hansard previously, but I would like to place it on Hansard again, because I want to refer to it later on in my argument.

Under the Fordney tariff the duties were as follows:

	Canadian duty	American duty
Eggs, per dozen,	3 cents,	as against 8 cents.
Butter, per lb.,	4 cents,	as against 8 cents.
Fresh meats, per lb.,	2 and 3 cents,	as against 3 and 4 cents.
Cheese, per lb.,	3 cents,	as against 5 cents.
Wheat, per bush.,	12 cents,	as against 42 cents.
Hay, per ton,	$2,	as against $4.

I would like to know if any business concern can compete with another business con-

cern when they have figures such as these against them. It is an utter impossibility for any man in any mercantile business to do it. If a man in the clothing business were selling goods at $3 and the man opposite selling at $8, I know which would get the business. With regard to these agricultural implements, we have been told what is going to happen. The party to which I belong up to the present moment have always reduced the duty on agricultural implements. They thought they had got in the position in which it could be safeguarded, and I think that perhaps, with all due respect to the hon. member for Brandon (Mr. Forke), this was a good chance to strike something which would appeal very much to the Progressives. He says it was not a bargain, but he can figure it whatever way he likes, it was something that appealed to them very much, and I know they will support the budget for that reason. With regard to the agricultural implements, I feel that the men who are going to be the users of these implements will not gain very much. We have had experience with regard to binder twine, coal oil, barbed wire and such like which went on the free list, but the prices never went down. I believe that the amount saved to the man who is using these articles will be practically nothing, but it will on the other hand as the present Minister of Finance has said—and we say it is true—drive the factories out of Canada and therefore drive our workmen out also, and then things will be in worse chaos than they are to-day. I would like to place some figures on Hansard with regard to some of the staple products that are produced on the farm. For instance we have, fresh pork, pork pickled in brine, pork dry salted, beef, mutton, butter, and eggs. These are staple products of the farm. I have some figures from the Customs department, and they are up to date as well as I could possibly get them. I obtained the figures for the fiscal years 1922-23 and 1923-24. I did not go very far back. The importations and exportations were as follows:

5 p.m.

Fiscal Year	Imported	Exported
Fresh Pork—		
1922-23	$5,134,061	$179,731
1923-24	2,764,489	277,877
Pork, pickled in brine—		
1922-23	1,379,536	48,895
1923-24	948,613	39,123
Pork, dry salted—		
1922-23	258,457	223,056
1923-24	340,402	315,798

Then we brought into this country the following imports:

	Fiscal Year 1922-23	1923-24
Fresh beef	$ 33,943	$ 39,276
Mutton, lamb, fresh	261,383	271,000
Butter	1,349,819	612,991

These are all staple products, and the point I am making is that the imports are in every case very much larger than the exports. I contend that these articles should not only be produced, but should also be consumed, in this country. We are told that the home market, while it is excellent, is not adequate; but I cannot see why we should have to get $5,000,000 worth of fresh pork into this country while our farmers here are able to grow everything that is needed in the production of this particular commodity. Now we come to another item, eggs. In the fiscal year 1922-23 we imported $2,508,504 worth of eggs while we exported $1,410,444, or a difference of over $1,000,000; and in the fiscal year 1923-24 our imports were $1,975,687 as against exports amounting to $1,027,171. In connection with this subject, I notice that the hon. member for King's, P.EI.. (Mr. Hughes) the other day, speaking on the budget, made the statement, as will be found at page 1603 of Hansard, that we imported $2,000,000 worth of eggs and exported very nearly $2,000,000. I would inform the hon. gentleman that he is out, as he generally is, only about a million dollars; in other words, our imports were about double our exports. Then the hon. member for Queens (Mr. Sinclair), minister without portfolio, made a statement, to be found on page 1376 of Hansard, which I was rather surprised to hear form the lips of an hon. gentleman who comes from a province that plays a prominent part in the production of eggs and poultry in Canada. The hon. member is reported as follows:

> Therefore I submit to hon. gentlemen who advocate a higher duty on eggs that it would not be in the best interest of Canada, now or at any future time, to raise the duty upon an article which is really one of the necessaries of life, and thus cause the workers in our industrial centres to pay more for the commodity than they really would have to pay if our producers were in open competition with the producers of other countries.

I do not accept that statement at all. I believe, as the hon. member does, that people in the industrial centres should be able to get fresh eggs when they want them just as other people do. But I would point out that when we import eggs from the United States we bring them in during the months in which our eggs are dearest. I venture to say that there are more people in the industrial centres who are selling eggs when the price is a dollar a dozen than there are people in those centres who are buying eggs. That may appear a strange

statement to make, but I believe it is true. In 1922-23 we imported—not to mention the exact figures—$183,000 worth of eggs in October; in November $276,000; in December $228,000; in January, $194,000; in February, $460,000; and in March, $924,000. Compare that with the fiscal year 1923-24. In the month of December, we imported $248,000; in January, $364,000; in February, $633,000; and in March, $470,000. We are bringing these eggs into Canada during the months in which our own poultry producers and farmers should be producing eggs and getting for them prices that would make the business a profitable industry. The hon. member also stated that the average production of hens in 1922-23 was 78 eggs per hen. I think that is a very low production in view of what we have accomplished at our experimental farm in Ottawa. In passing, I may say that I am heartily in accord with the tests that are conducted at the farm. There are a great many entries from all parts of the Dominion in what is known as the Canadian and the Ontario egg laying contests. The government makes a charge of $15 per entry, and I believe there were 75 entries last year. The owner of a bird that lays 150 eggs is given what is known as a record of performance certificate, while for a production of 225 eggs an "advanced" certificate is awarded. In the contest last year there were several owners whose hens laid 150 eggs. I think that these tests are a splendid innovation, and needless to say they were inaugurated in the Conservative régime. But, while the tests are being conducted satisfactorily, in my opinion there is room for improvement. It is sometimes false economy to curtail expenses, and the truth of this is exemplifield in this instance. I believe that if the poultry houses at the experimental farm were equipped, as they are not at present equipped, with electric light, the egg production would increase some 33⅓ per cent in consequence. Any one who has had any experience in the poultry business will endorse that statement. Our friends to the south of us are equipping their poultry houses in this and other ways, and are meeting with splendid success, and I contend that we should do the same. Last year in our contests there was not a hen that laid 300 eggs. We did have one that laid 298 and she would have laid the other two if the house had been equiped with electric light. Now, this is really a national advertisement for the poultry industry of Canada, and I think that everything should be done to promote efficiency and attain a standard of perfection.

[Mr. W. F. Garland.]

In reply to a question that I put on the order paper as to the number of baby chicks brought into this country in 1923, to my amazement the reply was 467,154; that is, about half a million day-old chicks were imported free of duty. Why? Because there is a clause in our excise legislation that such importations "for the improvement of thoroughbred stock" may be admitted free. Needless to say, all these chicks come in ostensibly for this purpose, and consequently no duty is collected. To my mind, Mr. Speaker, a duty should be imposed, because these day-old chicks cannot be intended for the improvement of our thoroughbred stock when we find them retailed in the fifteen cent stores. Although we are doing everything we possibly can to raise the standard of our poultry industry, we are admitting free of duty scrub poultry from the United States. Obviously that is a serious disadvantage to the poultry industry of this country.

Perhaps the statement cannot be proved, but we have been told that certain poultry diseases common to the southern states have infected our poultry, and we feel that such diseases must have been transmitted to our stock by the day-old chicks which are imported in such large numbers.

The hon. member for King's, P.E.I. (Mr. Hughes) recently gave us his annual speech about potatoes and free trade. I would suggest that when he starts to deliver it next session the House might take it as read, because he has repeated it ever since he was returned to parliament. I am sorry he is not in his seat because I have something which I should like to say to him personally.

Mr. JACOBS: I will go and bring him in if you like.

Mr. GARLAND (Carleton): I notice that on page 156 of Hansard he said with regard to the tariff:

> I have heard our friends the protectionists state, and they had no hesitation in stating, that if we adopted a tariff policy higher than it is now, a policy somewhat similar to that which they have in the United States—although it does not seem to work very well there so far as the farmers are concerned—it would work splendidly here, it would stop emigration, would increase immigration, would give more employment, would raise wages, would raise the price of farm products, and at the same time decrease the cost of living. I think they are too modest in the advantages which they claim their tariff would accomplish. Would it not also cure earache and headache, lumbago and sciatica, remove dandruff and prevent the hair from falling out? Mrs. Lydia Pinkham's pills would be nowhere alongside an adequate tariff, which, in the estimation of these gentlemen, would be a tariff made up by the Canadian Manufacturers' Association.

I might say in passing that, being a druggist, I would remind the hon. gentleman that Lydia Pinkham's pills are usually recommended for female ailments, and therefore do not apply to this side of the House. But I presume that when he delivered his speech he had taken some of these pills, or was badly in need of them.

With regard to the boasted economy of this government, I cannot as yet see that any economy is being practised by it. We had an item in the Public Works estimates asking for an expenditure of one and a quarter million dollars for the acquisition of the Colonial building in London, England, and another three-quarters of a million dollars expenditure on alterations for the same building. At the time I said that this two million dollars might have been spent to much better purpose in our own city in making the "deserted village" between here and the buildings within the next quarter of a mile appear as if the government owned the land. Instead of taking this course and providing suitable accommodation for various government departments, the administration continues to rent buildings from those who are friendly towards it at election times.

The government also boast of the retrenchment they have effected by reducing the number of civil servants. But I notice that in every case the dismissals are of those in the lower grades. I have yet to find that any of the high-salaried men have been dismissed, whereby some benefit to the country might result. Of course, the Minister of Labour (Mr. Murdock) told the unfortunate ones, "We are going to use you well; we have employed you for about nineteen years, and we are going to give you two months' pay when we dismiss you." He, a friend of Labour, would so treat loyal employees after such a length of service!

I am surprised to know that last year over five hundred of our technical men left the service. I am also surprised to know that the members of the technical staff in the Department of Agriculture are not paid the same as are similar staffs in other branches. This, Mr. Speaker, I think is one of the reasons why there is so much discontent in the service to-day. I have already expressed the opinion that the same amount of bonus should be paid to every person who is doing similar work whether he has dependents or not, for undoubtedly civil servants working beside each other and doing the same amount of work should be paid the same remuneration. Nothing is likely to benefit the Civil Service more than a contented staff. We do not need to go outside this building to find that some of the lower grades, such as those engaged in the char service, have not yet received their current bonus. These are the very people who are most in need of the bonus, and it should be paid to them without delay.

Now a word with respect to the retirement fund established in 1898. This is made up of 5 per cent deductions from the salaries of civil servants; the government do not contribute to the fund at all. According to a return brought down recently, the government had on hand on the 31st March, 1922, to the credit of the retirement fund $8,680,112.76. Now, on the amounts so deducted the government pays only 5 per cent half yearly; but at the same time they do not mind floating Victory bonds and paying those who purchase them practically 7 per cent. I consider that the 5 per cent interest should be raised, for the fund is at the disposal of the government and can be made use of from time to time for national purposes.

With regard to the Superannuation bill, I heartily agree with the principle, but I defer dealing with this until the measure is before us for discussion in the committee stage.

One of the most lamentable things that is taking place in this country is our immigration. In answer to a question I placed on the order paper I was informed that the government spent in 1923, $90,171.50 for officials and employees of the immigration staff in the United States, placed there, it must be, to bring immigrants from that country into Canada. I do not know what results have been obtained, but we are led to believe that our people are leaving this country at the rate of about 500 a day, if that is so, there is an excellent opportunity for the government to save $90,000 a year by withdrawing their immigration staff from the United States.

With regard to the policy adopted by the government of bringing immigrants to this country, I believe that there is plenty of room within the borders of Canada for ten times the population we have to-day. I would like to see more people brought from the British Isles, and it would be well in bringing them over to bring some who have money that they can spend on factories and the like to give employment to those who come here. The hon. member for Brandon (Mr. Forke) is going to buy a double disc harrow so that he can do twice as much work with one teamster as he did before;

that is the way he is going to help labour. We are bringing Mennonites into this country. There is room for them all but I think we should try first to get people from the British Isles. We should have, to my mind, a restricted immigration. When the party of the present administration was previously in power they brought to Canada large consignments of Doukhobors and settled them on the best lands of the West. And what has happened? Last year the Doukhobors went back in a body to their own country, with millions of Canadian dollars in their pockets. They lived in this country, they were fed in this country, they were protected in every way, during the war and otherwise; they were even clothed by the government. Now, if a man has five or six sons in Ontario, for instance, and he wants to move to the West, he would not get from any government, a railroad ticket to take him two miles, but to my mind these are the people to whom we ought to give some encouragement—the young boys from Ontario or the provinces further east who have been brought up on the farm. It is unfortunate that the only thought we who are bringing up sons can have to-day is that they are being brought up to become residents of the republic to the south; we cannot see any prospects for a boy in this country. The result is that our young men are going to the United States. A lot of them will come back, but the intelligent, bright young men who go there and make good will remain there; we are really getting only the second rate fellows back. In twenty-five years from now our neighbours to the south will have got all the cleverest men that this country produces.

I do not know that I can say anything further, except that the only consistent course I can follow is to vote against this budget.

Mr. ARTHUR DENIS (St. Denis) (Translation): The economic policy, Mr. Speaker, which the present government has been carrying out, ever since they have been at the helm of public affairs, has produced excellent results. The financial statement which has just been submitted to us by the hon. Acting Minister of Finance (Mr. Robb), allows us to hope for happier days; it assures us that the administration is in better hands, and that, no doubt, we are on the road to prosperity. For my part, Sir, I am quite satisfied with the budget that the hon. minister has brought down. It answers the wishes of the great majority of citizens of this country, and also responds to their needs. It is the return to the old-time and distinctive policy of the Liberal party, the policy to which the country is indebted for its great prosperity in the past.

What is very pleasing to note in this year's budget, is the decrease of the national debt which, under the old Conservative regime, had enormously increased, rising from $340,042,052.03, in 1911 to $2,340,878,983.69 in 1921-22, the last year of an unfortunate Conservative administration, and, without precedent in the annals of our history. The administration of public affairs was under the present government during only the three last months of that fiscal year; consequently, the responsibility for that year's administration rests with the late government. In that year, the national debt increased to $2,422,135,801.73. In 1922-23, the first year of the present regime, the debt increased to $2,453,776,868.74, however, for the year 1923-24 ending March 31, the present government have announced that the debt has been reduced to $2,410,162,174.

The heritage which the late government bequeathed to the present one was not much to be envied. However, inspired by the greatest fortitude and a most determined patriotic desire, they courageously buckled down to work. The whole country, to-day, rejoice in seeing that work accomplished for the general welfare of its citizens. To reach such a result, Sir, a strict economy had to be carried out in the administration of public affairs and certain pressing work postponed, such for instance, as the erection of a post office in my constituency, the need of which has been felt for a number of years, and which I have continually been requesting since I had the honour of respresenting the division of St. Denis. This post office is needed, owing to the large increase of population, the commercial and industrial expansion and especially the importance this northern section of the city of Montreal has taken within the last years; it is to-day the most beautiful part of the great metropolis of Canada. Its population is considerable, having over 100,000 inhabitants, and, within a few years, it will reach 125,000. It is the most favourable locality to reside in, both as regards the sanitary and financial standpoint. It is by practising economy, Sir, that the government have succeeded in bringing down the expenses and increasing the revenues to such an extent that, this year, they were able to announce to the country a surplus of $67,750,000. We must rejoice in seeing such results and congratulate the government on this success. I do not ask our friends who sit on your left, Sir, to do

so; let them, however, cease sowing falsehoods and slanders throughout the country and especially in Quebec, and, instead of spreading the whisper of death, let them breathe the air of prosperity which the present administration is sowing. I think, Sir, that this air does not suit them accustomed as they are to live in an atmosphere contaminated by all kinds of parasites from which the country has suffered during their administration.

The most serious side of our opponents' criticism, is the reproach of our having disturbed the tariff and having been false to our last year's pledge of upholding its stability. Whatever they may think, say or read, they cannot possibly prove such a contention. This government promised to give the country a tariff according to its needs and conditions. Under present circumstances, there are two classes which are in need of protection: The labouring class, which constitutes the large majority of consumers, and the farming class whose industry is threatened, owing to the prevailing low prices of their products and the high cost of implements and the expense of farming. Briefly, the government wished to grant the small wage-earners, the labouring class, as much protection as is offered to the wealthier classes. It is with that aim in view that the government has reduced the sale tax by one per cent. This reduction may appear to us very small, on first sight, but for those who have a large family, this is quite an item at the end of the year. We find these large families especially among people of small means, workmen, farmers, and not among the rich. The former supply the state with man power which is far more valuable than money, especially in a country like ours, whose natural resources are so rich and abundant, and await but strong hands to develop and make them productive for the state. Similarly, we should be very thankful to the government for its decision to raise the income exemption from $300 to $500 for each child under 18 years of age. It is the duty of the government to promote in every way an increase in the birth-rate, throughout the country by giving the greatest possible protection to those patriotic people. The country needs an increase in population. Immigration contributes to a certain extent, but we should favour the increase which comes from births rather than from immigration. It sometimes happens—and it is a misfortune—that these foreign immigrants have not all the qualifications necessary to become good Canadian citizens, for instance, those who are sent from reformatories or other institutions of the kind. I would ask the government to be very particular. Canada must not be looked upon as a dumping ground. There is plenty of place here for all good citizens desirous of settling in this country and becoming good Canadians. Blood ties must not be considered in the selection of immigrants, but what must be especially taken into account is their turn of mind, character and their manhood.

What pleased me very much was to find, in the budget, the lowering of duty on farming implements and the disappearance of the sale tax on said articles. Agriculture is the first and most important of our national industries. It is certainly in need of a little more protection. The government became aware of this and I therefore congratulate them. Let us help to make our farmers prosperous, let us increase their purchasing power and I am convinced that the other industries will feel its good effects. As to manufacturers in general, I think they have no cause for alarm. This government has no intention to hinder them in getting a reasonable profit out of their industries, its aim is simply to help those who are in need, and it requests the manufacturers not to be too selfish, but content themselves with what is reasonable and just. In my humble opinion what is detrimental to the industries of a country is the decrease of the purchasing power of a people. When money is plentiful, we buy; when it is the reverse, business is at a standstill. Protection which can but increase the cost of manufactured products, cannot be the remedy. The secret of a good government is to find the means of increasing this purchasing power. It is the foundation of success. I am convinced that the present government will attain this end.

I had no intention, Sir, of detaining the House very long, but I cannot resume my seat without making a few remarks on the construction of the Hudson Bay railway. I am rather astonished, considering our financial situation, to note that our friends the Progressives are asking for the building of this railway which would require a large expenditure. It is true that our financial situation has somewhat improved, however, we must not undertake further outlays without being very sure that they are in the general interest of the country. I think that this railway construction would be a pure loss for Canada, the open season is too short and ice floes block the Hudson strait during almost

the whole year, with the exception of July and August when it is too early to make use of this route for the transportation of grain. I base my statement on reports made by people having lived the year around in those parts, and therefore, well acquainted with the subject. This railway is not to be looked upon as a luxury, but as a means of communication required for the needs of the population and their trade; it is too expensive an undertaking to be left to the whims of any one. The Hudson Bay railway will not remedy the situation from which the western farmers suffer. such as the high rates of freight and insurance. I would advise them to postpone their request, this would save a great deal of money to the country and would avoid placing a new burden on the people.

I shall close my remarks, Sir, by assuring the government of my entire trust in them. I urge them to continue their Liberal policy and I feel convinced that the country will be grateful to them when the hour for reward has struck. Our friends who sit on your left, Sir, will once more be disappointed, and it will not be the last time.

Mr. DAVID SPENCE (Parkdale): Mr. Speaker, it is not often I take up much of the time of the House, and I am sorry that there are not more hon. members in their seats. No one can accuse me of taking up a great deal of time, and I ask the indulgence of the House this afternoon to bring before it the agreement between the city of Toronto, the Toronto Harbour Commission, the railways and this government in connection with the viaduct.

You are all aware that a representative delegation came down from Toronto on a special train recently and met the Prime Minister and the cabinet in the Railway Committee room. It was a very large and harmonious delegation representing the Toronto Board of Trade, the Toronto City Council, the School Board, and several other organizations which it is not necessary to mention. The delegation asked that the government honour the agreement entered into in 1913 between the Canadian Pacific Railway, the Grand Trunk Railway, and the city of Toronto. I am sorry the Prime Minister (Mr. Mackenzie King) and the Minister of Railways (Mr. Graham) are not present. The reception the delegation got was a very fair one, but the reply to the demands made by the city of Toronto was not just what the city expected to get. The Prime Minister said that he was having difficulty in battling his estimates through parliament, and that no matter how friendly the government might feel towards carrying out this agreement, parliament had to vote the money, and so tonight I wish to draw the attention of parliament to this agreement. That is why I am sorry there are not more hon. gentlemen in their seats.

I have not been asked to bring this matter before parliament by the city of Toronto, but as I was an old member of the city council at the time these negotiations were going on, between 1908 and 1913, and was chairman of the Board of Works and of the Property Committee of the council, I felt it was my duty to bring this matter before parliament.

Before 1908 the city was in negotiation with the railways demanding an elevated track along the waterfront, and in 1908 the Board of Railway Commissioners issued instructions that the tracks should be elevated. The railways opposed that order and appealed to the Privy Council. They lost their case before the Privy Council, and then they began sparring for time until 1913, when they came forward with a proposition of their own and submittted it to the city of Toronto. The city of Toronto came to an agreement with the Grand Trunk and the Canadian Pacific in that year, and the agreement was signed, sealed and delivered, and approved by the railway board. All interests were satisfied, and the city of Toronto thought they were going to have the viaduct built right away. But another year passed and then the war came in 1914. We all know that the government and the city had their hands full as soon as the war came, and the city of Toronto did not then press for the viaduct. After the war came the collapse of the Grand Trunk and the Grand Trunk Pacific, and then finally the taking over of all these roads by the government. The Canadian Pacific has signified its willingness to go ahead with the agreement; Sir Henry Thornton has also signified that he sees his way clear to going ahead with it; and now it is up to parliament to vote the money so that the government can carry out their share of the agreement.

Some people may ask, what is the necessity for this viaduct? I am going to give to parliament the facts that make it necessary that this viaduct should be built. The whole waterfront is cut off from the city by level crossings. Unfortunately, in the early days of Toronto, when it was a small town called "Muddy Little York"—you know how a railway will come into a small town, and how on every occasion it gets the best part of the town or city, and that is what hap-

pened in the early days in Toronto. The railways built along the waterfront, and they have to have room to develop. At present they are a hindrance to the development of the city, because they occupy the whole waterfront and the city cannot get access to its industrial areas along that waterfront. There are twenty-two level crossings in this territory that is supposed to be covered by the viaduct. In 1908, I think it was, the Grand Trunk and the city went in together and depressed the tracks from Sunnyside to Bathurst street. Hon. members who have been to the Toronto Exhibition may remember how in the old days they had to cross the tracks to get there, and how nowadays they can walk right into the grounds, the tracks being below. The viaduct will carry out this scheme in the other end of the city. There are fifty main line tracks, averaging more than two at each crossing, and every now and again an accident happens at one of these crossings. There are sixty-nine shunting tracks in the twenty-two crossings, averaging more than three to a crossing. In the summer time we have a wonderful boat business in and out of the city of Toronto, and all inward and outward waterbound freight has to cross these tracks; you can understand what that means.

At these particular crossings there are from ten to twelve tracks. These have to be crossed in order to reach the coal sheds, elevators, foundries, and fruit warehouses on the waterfront. The whole of the fruit shipments that come across the lake have to be carried across these level crossings, and with the amount of railway traffic that is going on it is a very dangerous proposition. All tourist and passenger traffic to the waterfront must cross these tracks, and the unfortunate thing is that at eight or nine o'clock in the morning, one o'clock in the afternoon, and other hours, when thousands of people are streaming down to the waterfront, trains of the Canadian Pacific railway, and of the Canadian National railway are apt to be coming in or going out on the tracks. It can readily be seen how dangerous these crossings are. Let me give a definite illustration: A man and his wife, accompanied by three or four children come down to reach the waterfront. A train commences to pass and the family get separted. The wife may get safely across but the watchman stops the husband and children. It results in the greatest inconvenience and causes justifiable alarm. Never a day passes but there is a rush to get across to the waterfront before the trains come along and the wonder is that serious accident do not happen. It is not uncommon for parties of eight or ten persons to be separated, and for those first across to start off in one boat while those held back have to sail on the later one. Such are the conditions which prevail, and these conditions the city of Toronto want to have eliminated as far as possible. There are boats catering to the tourist and passenger traffic which leave the waterfront of Toronto bound for the Thousand Islands, Montreal, Quebec and the Saguenay. Boats also leave for Hamilton, Niagara Falls, Port Dalhousie and other points. Then there is Toronto island to which the people of the city gain access from the waterfront. Part of the island is occupied by the residences of people who go there for the summer, the balance is devoted to providing entertainment for the masses. To the crowds thronging to Toronto island these crossings are a menace and a great source of inconvenience. Surely hon. members can easily see the necessity for the construction of this viaduct. I have been engaged in the fruit business on the waterfront of Toronto for thirty years, and I have had to cross these tracks many times each day. It is heartrending to see the danger which is incurred, and the delay which people suffer, owing to the movement of trains over these crossings. It is absolutely necessary that some relief measures should be provided.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. SPENCE: The city's industrial area south of the railway tracks comprises 998 acres east of Cherry street. This property cannot be utilized because nobody will establish industries in such a dangerous and inconvenient locality. There are 399 acres from Cherry street west to Bathurst street. Now after taking piers, roadways and sidings from the 399 acres there will be 257 acres for lease by the harbour commissioners. That to-day is not accessible to the city, but we hope to get a revenue from that after the viaduct is built. Out of the 998 acres east of Cherry street there will be 650 acres available for industrial development, the balance being roadways, 348 acres. That makes a total of 900 acres cut off from the city of Toronto by the present level crossings where we hope to have a viaduct built. The cost of the viaduct is supposed to be in the neighbourhood of $29,037,064. The city pays $7,421,946. The railway companies own land to the value of $2,496,100 which will be used for terminals, and they are charg-

ing that to the viaduct. The actual amount to be spent by the railways is $19,000,000. The Canadian National Railways must provide one-half, somewhere around the sum of $9,000,000. We are not asking that this money be all voted this year. It will take five years to build the viaduct, according to the agreement of 1913. It was to be finished in 1916. But suppose it takes five years to complete, it will mean that the government will have to vote for the Canadian National Railways $2,000,000 a year for five years. If it is to be completed within three years they will have to vote $3,000,000 a year for three years, and we are asked to vote that amount in order to honour our obligations, as the Canadian Pacific are prepared to do to-day. I trust the Prime Minister will see that the two or three million which is absolutely necessary will be placed in the estimates. I am glad the right hon. Prime Minister (Mr. Mackenzie King) is in the House at the present time. If this amount is not voted the parliament of Canada, the highest court in the land has not honoured its obligations and how could we expect any other corporation to honour its obligations? The sum of $14,000,000 has already been spent by the harbour commissioners, the city of Toronto and the government. That property south of the railway tracks will be useless unless the work is completed. Private companies have spent millions on properties south of the proposed viaduct, and are not able to carry on their business there. They leased the land on the distinct understanding that the viaduct was to be built, and that they would have access to it; and to-day they are leaving their property—all the result of the agreement of 1913 not being carried out. The government will be responsible for any tragedy that happens on these level crossings. Now, Mr. Speaker, the Prime Minister and the hon. Minister of Railways (Mr. Graham) are in their seats—

Mr. HODGINS: Have there been any accidents on those crossings up to the present time, and if so, how many?

Mr. SPENCE: I may say that hardly a year passes that we have not some very severe accidents.

Going to Cherry street, there are three main line tracks, and there are sixteen tracks altogether. Of course the railways take the opportunity of using every possible track for their cars. The trains come down there full speed on the line, and a fellow gets on the track with his coal wagon, and the wagon goes up in the air. We have had a great deal of trouble in the past and we hope it will be eliminated by the government carrying out their agreement.

Mr. HODGINS: Do the railway companies do any interswitching in the day time?

Mr. SPENCE: Yes, but after the viaduct is built they propose to eliminate switching in the day time. They are taking cars in there every hour of the day, and it is not possible to avoid switching during the whole day, and this switching is done at the foot of Yonge and Bay streets, where people are crossing to catch the boats. Hon. members will know the difficulty there is in getting to a boat when a train pulls in between you and the boat. Some of them take a chance by going in between the cars, and some crawl under. If hon. members were to watch them going from north of the tracks to the wharves to catch the boats, their hair would stand on end. It is a ridiculous condition of affairs. We have put up with it as long as we have been able to do so.

I propose to speak in a general way on the budget and deal with the question of expenditure and of economy.

Mr. PRITCHARD: Would the hon. gentleman tell me if the railways have carried out their contract with the city of Toronto, or did the hon. member deal with that before six o'clock?

Mr. SPENCE: I am sorry the hon. gentleman was not present when I explained that matter at six o'clock. The agreement of 1913 has not been carried out so far. That agreement was signed and sealed, everybody assented to it and all were in honour bound to carry it out. The president of the Canadian National Railways, the president of the Canadian Pacific Railway and the city are prepared to go ahead; they say that they are simply waiting for the government to vote the necessary money to enable them to proceed.

Coming now to the budget, the Acting Minister of Finance (Mr. Robb) has come in for a good deal of congratulations on the speech he delivered the other day. I am afraid I cannot join with those who have congratulated him, and I say this for two reasons. In the first place, I do not think that he ever prepared the budget; I am satisfied that he was subservient to one or two or possibly more persons who dictated the course he should take. And those who have been dictating the policy that the acting minister has set forth have not been very friendly to the industrial people of the provinces of Ontario and Quebec, nor to industry generally. The second reason for my inability to congratulate the acting min-

ister is this: He is a business man of repute and it seems to me that he cannot believe it to be in the country's interest. Having the interests of the country at heart, I feel that the budget has been framed with a view to securing the support for the government of my Progressive friends to my left. Nor is the Acting Minister of Finance to be congratulated on the score of brevity. Apparently the hon. gentleman was not enamoured of it or he would have taken a lot more time. In my opinion he felt embarrassed and was anxious to dispose of the matter in as short a time as possible. The rush budget of this year may truly sound the death knell of prosperity for the urban centres of Canada. Apparently the Liberals have made a concession to secure the support of the Progressive party, and any traditions the old Liberal party had—and they had some—are gone. The old Liberal party henceforth will, in my opinion, be known as the Liberal-Progressive party of Canada,—without progress.

This tinkering with the tariff is a bad thing. Last year the government lost the confidence of the people to such an extent that no investor would freely put money into any industry. I say this without hesitation, for I have met many men who are simply scared to invest a dollar in industry. The French treaty last year was one of the worst things that could have happened in this country; it deprived the country of a revenue of at least $1,500,000 while it took the duties off certain luxuries which to my mind was a most unwise thing to do. The people who buy those luxuries can well afford to pay for them, and should be required to pay fair duties on the goods they get. The increased British preference, too, has worked havoc among our woollen mills, and it is absolutely unfair for the government to put our factories in the position that compels them to compete with the woollen mills of the Old Country and of the continent of Europe generally. Taking into consideration the long hours of labour there, and the working and living conditions, it is utterly impossible for these particular manufacturers in Canada to compete under the circumstances. It is a well known fact that many of the articles in this line of manufacture are made in continental countries such as France, Holland and Germany, and there may be unscrupulous people in England who, taking advantage of this preference, import these goods from the continent and then ship them to Canada and receive the preference on them. That is altogether unfair.

Since this budget was brought down the agricultural implement makers in Canada have been demoralized to a large extent. I may mention one incident in illustration of this. A friend of mine who manufactures malleable iron had an order for $150,000 with the International Harvester Company, and so soon as the budget was delivered the International Harvester Company cancelled that order. It will be seen therefore that the effect is not confined to one company alone; the restriction of business brought about by the budget provisions affects two or three or in some cases half a dozen businesses, and that is the beginning of industrial failure. And the unfortunate thing is that no one knows what is going to happen next. It would be different if there were some assurance that this was the end of the tariff reductions; but no one knows where the policy will lead to. Hon. members emphasized the other night that this was the death knell of protection, and they declared that they wanted free trade. Let me say that what the country needs is not free trade but industrial stability. To my mind it is great folly for the government to hold a club over the heads of the manufacturers and, so to speak, keep them under suspended sentence; for so long as that state of affairs continues you will find no man in the country ready to invest money in business, and you will lose the support of every man in every line of business affected. I am not talking politics now, because, if my party were in power, I would say the same thing. I repeat, it is business stability that we want, and not any policy that is going to result in a wrecking of the industrial fabric of the country. This policy is driving out of business men who are willing to keep the wheels of industry turning; it is doing that every day and forcing such men to tie up their money in safe investments instead of putting it into industry and business that will make for the prosperity of the country. Some time ago the Minister of Finance of Canada and the minister in the province of Ontario filling a similar office floated enormous sums—I do not know how many millions—in bonds, and some of my friends in Toronto who are familiar with the bond business thought it was a great advertisement for Canada to finance itself. And I think that it is one of the surest indications of hard times when men who have money to invest are afraid, through governmental action, to put it into industry, preferring to hide it away in victory and industrial bonds at 4½ and 5½ per cent. There is no money available for industry to-day, so that when a man goes to any bank, unless

he has gilt-edged securities, he cannot secure a loan. Now, I do say that there should be honour in politics. I believe that there ought to be honour in anything, but particularly in politics; and one should have reason to feel that there is stability in the government. This government should carry out the wishes of the majority of the people, and I say that it should carry out the obligations of its predecessors.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: I see the Prime Minister laughing; let him laugh.

Mr. MACKENZIE KING: I am only smiling.

Mr. SPENCE: Now, the Speech from the Throne mentioned two specific things, one of which was a reduction in the tariff on the implements of production. That has been carried out. Then they proposed to introduce the single transferable vote. Let me say to the government that that would be the means of introducing more corruption into elections than we have ever had heretofore, and my advice to them is to cease such action entirely.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: Hon. members laugh. Naturally they would like to try this innovation in a good Tory constituency, such as the city of Toronto, with a view of winning a few of the ridings; but it would be impossible for them to be successful in any such attempt, no matter what they might do. So they can laugh away. Something should be done to stop the waste of time in this House.

Some hon. MEMBERS: Hear, hear.

Mr. SPENCE: Well, if I lost a quarter of the time consumed by my hon. friends to my left I would be ashamed of myself. I have not talked more than an hour this session, but I think I have said just as much as some of my hon. friends to my left who have talked a week. I repeat, something should be done to stop the waste of time in this House. For instance, something should be done to discourage the introduction of such radical resolutions as have been submitted by my hon. friends to my left. Why, it is ridiculous. I may just instance three. First the resolution to amend the British North America Act. It amounted to nothing but talk—talk and more talk, and every hon. gentleman knew what the result would be. The next was to amend the Criminal Code. The third was to do away with capital punishment. What do you think of such resolutions as those? Do you think it is fair that the country should keep a bunch of men, supposed to have a certain amount of ability, in this House discussing radical resolutions that do not amount to anything at all? I do not know how the government tolerates such a condition of affairs. If I were the government I would do something to stop the introduction of such resolutions.

An hon. MEMBER: How about church union?

Mr. SPENCE: I am not touching church union.

Now, Mr. Speaker, I am a strong believer in protection. I want all my friends to my left to understand that.

An hon. MEMBER: "Moderate" or "adequate?"

Mr. SPENCE: Oh, I am always for moderate protection; that is perfectly all right. I am a strong believer in a protective tariff, and I am more convinced than ever, after watching our neighbours to the south, that we need a higher tariff rather than a lower in order to protect the tillers of our soil and our industries. I want to protect my hon. friends to my left, the tillers of our soil, because I have endeavoured to make my living from them during the last thirty-five years, and I have succeeded fairly well. The reason we need protection is what I will now explain. My hon. friends to my left do not know much about it, and I am going to try to enlighten them. The other night the hon. member for Brome (Mr. McMaster) said: You will never go broke getting a bargain. I reply: No, but the man who gives the bargain goes broke. And that is what my hon. friends would like: everybody would be broke but themselves.

Climatic conditions on the American side operate as a substantial protection to the people there who grow fruit and truck produce of all kinds. In the south they can raise from one to three crops a year while it takes our farmers all their time to raise one crop—and they growl while they are doing it. Take in the southern states,—Florida, Louisiana, Tennessee, Texas, North and South Carolina and Maryland—I will guarantee that the farmers there can raise from two to three crops a year. And yet you are trying to compete with them without protection! Why, it is absolute rot. Take the north shore of Virginia, where probably 50,000 acres are under cultivation to potatoes, which supply this country from the beginning of May to the beginning of July. That crop is sold here when the price is good, but when it

drops the Virginia farmers cease shipping. Then in July I have often sold them carloads of old potatoes, which they plant, and the resultant crop supplies their home market. Can you do that in Canada?

An hon. MEMBER: That is not patriotic.

Mr. SPENCE: What is not patriotic? It is patriotic to make money wherever you can. What I mean by that, Mr. Speaker, is this: If the Americans, being wise to the situation, can grow two crops each year, they are doing right. It is better for them to so apply themselves rather than sit up growling as you gentlemen do. Free trade might help the western farmers temporarily, but it would kill them in the end, as it would also the truck farmers of this country. For free trade would drive away our population, free trade would shut up our industries and the population would leave the urban centres. Take an area within twenty miles of Hamilton—I would talk of Toronto, because I know you gentlemen do not like to hear of that city Suppose one of the big industries there should close down, it would throw out of employment four thousand people—and we anticipate this will happen—and the shutting down of that industry would affect associated industries, and they too would have to close down. As a result the population of Hamilton would soon be reduced from 110,000 to 50,000. This may actually occur, because a free trade policy is bound to bring about such a result if it does nothing else. My hon. friend here (Mr. Senn) is a truck farmer and lives within twenty miles of Hamilton. He does not do any growling. On the contrary, he is bringing in his produce and finding a ready market for it in Hamilton, for the city has a population sufficient to consume all the fruit and garden truck grown within forty miles of its boundaries. But what is going to happen when we depopulate this urban centre? What are we going to do? Land will drop in value fifty per cent, because the price of land fluctuates with the price of farm products. You gentlemen need a little more experience. Your mind is too narrow; you are continually thinking of yourselves to the exclusion of everybody else.

Now, let me tell you something of the class of people you have to deal with in the United States. You gentlemen to my left are continually talking about the great market to the south. I will tell you how selfish the people are there. I happen to be in the nursery business. In 1917, for the purpose of improving their own nursery industry—and I would approve of Canada doing the very same thing—when the United States government saw that the nursery business was being hampered by an over supply of nursery imports from Holland, England and France, they put on a high duty; but they were not content with this, and the next year they put on an embargo, shutting out nursery imports altogether, thus encouraging their own people to propagate nursery stock They have also protected their grape growers; they have forced the people to eat nothing but California grapes, which is the right thing to do, I would recommend the same course for adoption by the Canadian government under similar circumstances, for protection is the only thing. They put an embargo on Spanish grapes, thus preventing the people eating a better grape in order to force them to eat the California product, which is good enough for them. What do we do in this country?

An hon. MEMBER: We have a good government.

Mr. SPENCE: No, we will not say we have a good government. We reduced the duty on wine through the French treaty and killed our grape growers—an entirely different thing from what the United States did with their grape growers. We killed ours; they built theirs up.

Now, I am going to say something else that our hon. friends may think radical, too. As I said before, I am a great believer in protection, and I am a great believer in raising money in the cheapest possible way, that is, by customs tariff. To-day we have entirely too much direct taxation, entirely too many kinds of taxation. We have taxation municipal, provincial and federal, and the condition is such that it would poison the mind of the best citizen against any government. I say there are too many systems of taxation, and they are irritating and annoying everybody. The hon. member for St. Lawrence-St. George (Mr. Marler) told us of an instance just before the war when the revenue of this country was $136,000,000. At that time they raised $126,000,000 by customs tariff and only $1,000,000 in a direct way; to-day we are raising over $155,000,000 by customs tariff and $199,000,000 by taxation, which is absolutely unfair. You are hitting the people who are trying to make an honest dollar, to accommodate and please somebody else.

An hon. MEMBER: Who pays the taxes?

Mr. SPENCE: Everybody knows who pays them. You do not get much out of the farmer, though he is entitled to everything that is coming to him, and if you can find a farmer in Ontario between Toronto and Niagara falls south or from that down east who will say an unkind word about me, I will buy you a good treat. I have farmer friends all over Ontario and I am willing to help them in every way I can. If my hon .friends, however, cannot see what is good for them I am going to point it out to them.

Lower the tariff on anything, I do not care what it is, and you kill industry. I will just mention three or four commodities by way of illustration. There is barbed wire, for instance. At one time there was a duty of ¾ cents on it, but now the duty has gone forever. Cream separators could be made in this country, but no duty is imposed on them and to-day they are made in the United States. Binder twine—that is a thing that touches the farmer; he is always talking about binder twine; the duty was taken off binder twine and what happened? Before the duty was taken off we had twenty-three factories in Canada turning out binder twine, now we have three, and the price has gone up from 7 and 8 cents a pound to 15 cents a pound. That is the result of taking the duty off and killing your industry. That is what will happen if you drive your farm implement people out of Canada: they will go back to the States and say "Now, we will make you pay for your implements; you will pay it all back with good interest."

Mr. EVANS: If my hon. friend will permit a question, may I ask, what is the output of the three twine factories now compared with the total output when there were twenty-three factories operating?

Mr. SPENCE: One-third, I presume. I must say that I had not looked into that, but I am informed on reliable authority—by an hon. gentleman to my left here—that one-third of what we use is made in this country. That is the trouble with the farmer in the West: He has got his eye southward; for goodness' sake let him get it the other way. They seem to be satisfied, now that they have killed the woollen mills, killed more industry and made it more difficult to sell their products. They have killed the home market, which was one of the best markets, after all—and after a while I will tell you something which will make you understand why. You have killed the farm implement business, at least, you have started on the way, and next year the truth of what we are saying now will be shown. That was the case with the hon. member for Lincoln (Mr. Chaplin) in his remarks on the French treaty: He told the House last year what would happen and this year he showed them what had happened. What he said last year was true, and what he said this year was true.

I am a believer in economy. Personally I have always been accustomed to economy. I am not like some people; I was not born with a silver spoon in my mouth, and I have always had to consider economy. I like to see economy practised by the government or a municipality just as I practise it in my own business, but there are very few here who look at it that way or they would not talk so long and so often. Our overhead has increased in this country by leaps and bounds, increased out of all proportion to population. It is caused by too much legislation, too much social welfare, too much spoon feeding of the individual, killing initiative and causing indolence in the country. Is that not right? I think my hon. friends really agree with me but they have not got the backbone to say it. We have heard about widows' pensions, mothers' pensions and old age pensions, but recently we have heard of a new one, the "out of work pension." That was applied in the Old Country, and I heard somebody here advocate the same thing. Just imagine an out of work pension in Canada—why, nobody would ever work; in fact, lots of them do not work now. I heard of an instance in Ireland where you got 27 shillings when you were out of work as against 35 when you worked—now, who would work? I do not believe even my hon. friends to my left would work under those conditions.

We have too many fads introduced into parliament, too many dreamy ideas, too much nonsense all the time. Legislators, representatives of the people, should have backbone, but as my old friend Sam McBride of the city of Toronto would say, the difficulty with legislators is that their wishbone is where their backbone should be.

Another way of economizing is by cutting out all commissions investigating this and that, costing $300,000 for this, $500,000 for that, and so on. Members of parliament should be in a position to accept their share of the responsibility for the government of this country and no commission should be appointed outside of this House. You can get men in this House who are just as capable of investigating anything as you can get outside of it, and in that way you will save the country money. I have always advocated that; in the city council I did the same

thing, so it is nothing new for me. I never yet saw anything come out of a commission; they are usually told the finding, they bring it before you, and that is all there is to it.

We have too many publications coming from the Printing Bureau, and I would advise the government to look into this very thoroughly with a view to seeing what could be eliminated. There is an extravagant waste of paper; the mail carriers of this country are loaded down with useless material. Seventy-five per cent of what the mail carriers carry around in the city of Toronto is junk that nobody ever reads. My cellar is full of it and every other cellar is full of it in the same way. Unfortunately we cannot burn it because we use oil burners. When we used to burn coal we could dispose of the stuff, but to-day it is piling up and we have not even anybody to sell it to. I saw in Hansard a question asked by the hon. member for North Wellington (Mr. Pritchard) in this connection, and it was a good question; it brought out some information. He asked:

1. How many tons of waste paper have been sold by the government during the last fiscal year?
2. What is the total amount received for same?
3. What per cent of this amount was obtained by the Department of Agriculture?

The Hon. Mr. Copp answered the first two questions. In reply to the first he said:

The weight of paper sold is not available.

That is information for you! Just imagine a department with a head giving that out. The answer to the second was: $497.36. Well, that is pretty good. The answer to the third question was:

Does not refer to this department.

As usual, no information from the Department of Agriculture. The question was also answered with relation to the Post Office Department, as follows:

1. 350.
2. $4,199.65.
3. No information.

With respect to the Department of Public Printing and Stationery—and here is where the extravagance comes in—this was the answer:

1. 722 tons, 1,509 pounds.
2. $26,558.30.

Now, this is a serious proposition. It is extravagance, and no matter what government is in power, no matter whether this has been going on for the last half century or not, it should stop, and now is the time to stop it. I presume that half of that amount scrapped was never sent out, but was just baled up as waste paper.

Mr. MURDOCK: Is the hon. member aware that those figures for the Printing Bureau cover all the waste paper from all the departments of the government in Ottawa, and that the price received is for all the waste paper from every department of the government, not from the Printing Bureau alone?

Mr. SPENCE: The Post Office Department sold over $4,000 worth, so they must have sold that independently.

Mr. MURDOCK: That is for waste paper at Brockville and other outlying points shipped into Ottawa to be sold.

Mr. SPENCE: Anyhow, I think hon. members will agree with me that it is the height of extravagance, and I do not care if my own party were in power I would say the same thing. But you are in power, and it is up to you to remedy it. You would almost think there were good times in the country from the way money is wasted; but when you want any money for something useful there is no money. Last year we bought the Hotel Scribe in Paris, which we did not need, for which we have absolutely no use, for $1,300,000, and now we understand it cost $2,500,000, and the manipulator, Mr. Aronovici that we heard so much about—well, there is always a fellow in between. My friends to my left object to the middleman. I do not like middlemen in this case, and that is what Mr. Aronovici was. I saw in a paper that came to my office to-day that they expect to spend another $2,500,000 on that Hotel Scribe, so it may take $5,000,000 altogether. I cannot say whether the report is true or not. At all events we know that it has cost in the neighbourhood of $3,000,000, and we know that everything of this kind that is purchased by a government or a municipality always costs more than the original estimate.

Then we have our friend the High Commissioner in London whom I know well—full of vanity as an egg is full of meat. He is of the opinion that he wants a beautiful building in London with a great big stone front, and the great "I Am" walking up into it. Just imagine spending that amount of money there. If the Salada Tea had made it all, I would not mind so much, but the poor taxpayer has to pay for it.

Now I come round to home, to my friends from the West. Ten years ago there were no industries in the West at all. Very little of anything was raised there except wheat. I do not think there was any dairying done there ten years ago, perhaps five years ago.

Some hon. MEMBERS: Oh.

Mr. SPENCE: What I am going to tell you, you may not know. Yes, even five years ago,

and I want to compliment the people of Alberta and Saskatchewan for the way they have developed dairying out there. Their cheese factories are doing splendidly. Their creamery butter is first class; they are producing the best make of butter in the Dominion right in the province of Alberta; I know what I am talking about, because I am associated with people who are dealing in butter. Alberta is to be congratulated on the splendid make of butter she is turning out, and as some hon. member has said, the whole country will have to do the same before the butter situation will be as it should be in this country. About five years ago people from the East, people that I know, shipped poultry and cheese and butter, condensed milk and everything into those provinces. But to-day we are receiving in the East, in Toronto and Montreal, hundreds of carloads of butter and cheese from those provinces, and this year alone Alberta and Saskatchewan shipped to the East over a thousands carloads of turkeys, averaging 20,000 pounds to the car. So I say they are to be congratulated. They are developing an industry out there, and in the near future my friends to my left will be howling for protection just as loudly as they are howling to-day for free trade.

Mr. COOTE: What did they get for the turkeys?

Mr. SPENCE: As much as they deserved. That just slipped out; I did not intend to give that answer.

Mr. ELLIOTT (Dundas): What did you get out of it?

Mr. SPENCE: To be frank with you, I was good enough to help some of your western friends out with their turkeys. One man came with a carload of turkeys, chickens and eggs, for fifty-six different people, and he had all the stuff from each man packed in one box. I got him a place to put his stuff in, and I sold some of the turkeys for him and it cost him nothing. But that is not the point. The people in the West to-day are aware that they must get proper boxes made to crate their stuff in; they must have proper refrigeration, and kill properly; they must use the proper-sized box. Some have been doing that this year, and they are making a wonderful success of it. This year you have 100,000,000 bushels of wheat in this country more than the world can use, and there is nothing else for it but that wheat must come down in price to create a demand for it. If you drop anything in price you will generally find someone willing to buy it and take a chance on selling it, but I maintain in this case he will lose. I paid 35 cents a pound for western turkeys and paid as low as 23 cents, and some of them should never have been shipped. I do not blame my western friends for that, because they are not fully conversant with the class of stuff that will bring the price. But you are developing this industry in the West, and you people will soon be hollering for protection as loudly as you holler now for free trade, and you will remember what I have told you, don't forget that! The eastern provinces cannot afford to let you men in the West think you rule the country no matter how much we think of you, and we certainly entertain a high opinion of you.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: Every farm in the West is not owned by a western man. Many of you gentlemen have done well on the farm. I will guarantee this: If you take fifty men in the retail business and compare them with fifty men selected from yourselves it will be found that you are doing a great deal better, and yet you are growling at your condition. Business men work from early morning until late at night—in fact they are never through—but you gentlemen only work for a few hours.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: I will take that back and say that you work all day, but you certainly do not work all night. In order to get along in life many men in business have to work practically day and night. I remember when I started—I do not mind telling, I am not ashamed of it—I had a mind to be at the top in my business. I worked all day in the fruit market beginning at seven o'clock in the morning, and at seven o'clock I went to the office and worked there until two and three o'clock every morning. I did that for three months at a time. I have never been able to get the leisure for a trip across to Niagara. But many of you gentlemen when you work a few months in the spring and fall get an automobile and go off for a hike to Vancouver. You toil not neither do you spin. Now, the point I want to make is this: Take fifty men starting upon the farm and fifty men starting in the retail business, and you will see at the end of ten years the men on the farm will have more money than the men in business. Yet you think business men are better off than you are. I tell you frankly that you have more money than they have. Take any two hundred people in the retail business in the city of Toronto, I doubt whether any fifty of them could square their accounts up.

The middleman has been accused of being a vulture. I happen to be a middleman myself but I have never been a vulture, or a parasite either. To-day conditions are terrible in this country; business is really bad, and these tariff changes are going to make it worse. The bankers are beginning to make you square up if you happen to have an overhead that amounts to anything. The strong has always protected the weak, and we propose to carry out that policy. In Toronto we have to enact by-laws to prevent people from walking in front of the street cars and killing themselves. Similarly, some of you gentlemen will have to be protected, and we are going to protect you. The difficulty is that hon. members from the prairie provinces think that all the wisdom has been extracted from the rest of the country and deposited in the West. Now that is not so. All the wisdom of Canada is not confined to any part of the country. You in the West have some, we in the East have our share, and the balance belongs to people in some other part of the country. Still hon. gentlemen from the West talk as if they "knew it all" and that we knew nothing. What we require in this country—I am talking seriously—is national unity. We cannot secure that without a real national policy, a policy that will keep Canada for the Canadians, Canadian business for Canadians, but keeping in mind all classes. Let us forget our troubles in future; let us bury the hatchet and help each other. I say to you gentlemen from the West: Stop your growling and get friendly with yourselves. Our population unfortunately is not large; it is a shame that this country is not growing any faster than it is. We really have no internal business, and if we do not retain our population conditions in future will be much worse than they are at present not only for the farmer but for the artisan and the man of business. Mr. Beatty of the Canadian Pacific Railway—he must be a fairly smart fellow, he draws a big salary and must earn it—was asked how it was that the United States enjoyed so much prosperity. He said there was a tremendous prosperity in the United States largely by reason of the internal trade developed in the country and which its enormous population made possible. In Canada our internal trade does not amount to anything. But when that country is filled up our turn will come. The United States will be overstocked shortly and then we shall start in on an era of prosperity, we shall be on the eve of a brighter day.

I was glad to hear the speech the hon. member for Nipissing (Mr. Lapierre) made this afternoon. I congratulate him on the optimism he displayed when speaking of the mineral resources of northern Ontario. That is the kind of speech that attracts population to the country, not speeches of a pessimistic character in which there is so much whining and growling. I do not like to hear speeches in this House like that delivered by the hon. member for Macleod (Mr. Coote). That hon. gentleman had a magazine—I do not know whether it was the Christian Guardian or the Grain Growers' Guide—but he was quoting a lot of stuff out of it and trying to antagonize the working man, the middleman, and the man who produces pork one against the other. "The producer," he says "is getting only seven cents a pound for pork and according to advertisements you cannot buy the bacon for less than forty-five to fifty-five cents."

Mr. COOTE: I rise to a point of order.

Mr. SPENCE: Pardon me. When I get through you can talk all you like.

Mr. DEPUTY SPEAKER: Order. A point of order has been raised.

Mr. COOTE: I would suggest the hon. gentleman is out of order, in entirely misquoting the hon. member for Macleod, that is myself. I never said that bacon was fifty-five cents a pound.

Mr. SPENCE: Hansard of the 28th of March will show what my hon. friend said.

Mr. COOTE: Very well, read it then.

Mr. SPENCE: My hon. friend said fifty-five cents or fifty cents and at the time I said, "No".

An hon. MEMBER: Quote what was said.

Mr. SPENCE: Pardon me. When I get through you can refer to Hansard. I said, "You could buy good bacon for thirty cents," and I was laughed at by hon. members to my left. This occurred on Friday night when I had to leave in order to go to Toronto. There was an effort to shut me up very quickly in the discussion because I happen to be a middleman.

Mr. COOTE: I would ask the hon. member to either substantiate his statement or withdraw it.

Mr. DEPUTY SPEAKER: There is no reason now for the hon. member to withdraw the statement; he has made a sufficient explanation.

Mr. SPENCE: I practically tell you what I believe to be the absolute truth. If I am

wrong I apologize. The hon. gentleman can refer to Hansard and see if I am not right. I have the Montreal paper before me where it states that the price of bacon ran from 35 to 45 cents.

Mr. FORKE: I rise to a point of order. If an hon. member in this House makes a statement which is not in accord with the fact, is he bound to produce the evidence to prove that he is right before the member is compelled to retract?

Mr. DEPUTY SPEAKER: Mr Speaker is not required to answer questions, but the hon. member makes an explanation in which he says he thought it was either 50 or 55 cents, and if that is not correct, Hansard will show. That is not saying that he refuses to accept the statement of the hon. member for Macleod.

Mr. SPENCE: This is just what I like—to bring out the cold facts. I never hide from anything I say; I am not going to tell a lie; that is something I do not do. I may have bad habits, but that is not one of them, and I think my memory serves me right ninety-nine per cent of the time.

An hon. MEMBER: Wrong this time.

Mr. SPENCE: If I am wrong I apologize. Get Hansard of the 28th March. That is the thing to go by. The hon. gentleman was whining about the spread between the farmer and the consumer. That is what causes the trouble and statements that are misleading should not be made by any hon. member in this House.

Mr. COOTE: May I ask the hon. member, if he does not believe in making statements which are not true, let him read what it is in Hansard at page 829, where I spoke about the price of bacon, and he will find that he has made statements which are not correct.

Mr. SPENCE: I have here the documents to prove my statements. I say that bacon could be bought at 25 cents a pound, some as low as 20 cents, and some at 30 cents.

Mr. COOTE: The hon. member said to-night—

Mr. DEPUTY SPEAKER: The hon. gentleman has no right to interrupt an hon. member addressing the House.

Mr. COOTE: The hon. member has no right to misquote me and refuse to withdraw the statement.

Mr. SPEAKER: The hon. gentleman has no right to interrupt an hon. member who is speaking.

An hon. MEMBER: Read it.

Mr. SPENCE: I do not wish to hide anything or to make any insinuation which is not absolutely true. The next morning after my hon. friend made the statement in the House I dropped into the store at the corner of Queen and O'Hara, Martin's store, near my own home, and bought four pounds of nice side bacon, at 23 cents a pound. I have here an advertisement in the Toronto Telegram—and we all accept the statements in that paper in this House. This advertisement gives Arnolds price of bacon at 20 cents for real first-class side bacon, and Martin's bacon at 23 cents by the piece, and 25 cents sliced by the machine for first-class breakfast bacon. Other pieces of a lower standard selling at 15 cents. The difficulty is that too many people are asking for fancy cured, fancy cut bacon, and I think if they would take the bacon cured in the ordinary way there would not be so much discontent. Arnolds Limited in Toronto, one of the big concerns, sells sliced bacon at 20 cents, and they were selling it at this price the same evening the hon. member for Macleod (Mr. Coote) made the statement that it could not be bought for less than 45 or 50 cents. Now I will try and find Hansard, to get the matter right. The hon. gentleman said that he had bought several pounds of bacon since coming to Ottawa and the cheapest he had paid was 35 cents, and he said that he also paid 45 cents. But previous to that occasion there is a place in Hansard where he quotes the price—oh I have not time to look it up. I have proved my statement that I can buy good bacon for 20 and 25 cents, and I have brought two papers which prove that I bought it for 23 cents, and down as low as 15 cents. The people who are accused of making so much money in all these years have lost more money than the hon. member will ever be worth. I looked up the returns of the William Davies Company for 1923, the year they are accused of making the big spread between the 7-cent pork and 50-cent bacon. That firm lost $600,000 on bacon alone, and some of the members from the Calgary district will tell you that firms up there lost a few thousands too. Gunn's Limited, lost around $300,000,—and I hate to make the statement, because they are a big reputable firm; why should people of that class be ridiculed by members of this House when they have not done what they have been accused of doing, namely, of having the big spread in their prices? The Harris Abattoir Company was a private concern, and did not require to make a return, but it is known that they lost money. Many other firms have lost

money on the very item of bacon the hon. gentleman is talking so much about.

I want to say to my hon. friends to my left that they should not worry too much about the American market. The people over there do not want their stuff. They are a great big producing country, and produce more than they can consume, and do not need our stuff. You might just as well ship nursery stock to Holland, a country that grows nothing else but nursery stock, as to attempt to force your product on a market where they do not need it. What my friends from the West should do is to cultivate their own market, and increase our population and then you will have somebody to consume your products. After our own market the next best market is the Old Country. We have that market still, and I can show hon. members the benefit of that market to this country. Last year the British Columbia growers formed one big co-operative society. The hon. member for Cariboo (Mr. McBride) quoted the instance where a man made 60 cents on a box of apples. That was the middleman, the man who sold it in the prairie country. It may be possible that that man lost a thousand times sixty cents on apples the year before, and was trying to get some of it back—for these dealers were all in the same boat. However, the British Columbia growers formed one big combine, as I call it—you would call it the same if private individuals were doing it. They were trying to put the re-sale price on their stuff, but luckily the better element decided it was not right and should not be done. They knew that in the two years before that, when their apples went bad, we gave them a good square deal. When the apples went bad after they were shipped, they came to me and paid me $800 back on one or two cars of apples. If it were not for the Old Country market to-day you would all go begging. A broker in Toronto got an agency for the British Columbia people and he obtained a rake-off of 5 cents per box. It takes 750 boxes to fill a car and he sold to firms in London, Glasgow, Manchester and other places about 500 cars for these people in British Columbia. It netted them a big profit and afterwards they sold thousands of boxes in the Old Country. Had it not been for that market they would not have been able to dispose of these apples. Let us bear in mind that we cannot depend on the market in the United States: When they want your goods they readily remove any embargo that may be in force against them, and when they can do without them, they raise up a tariff wall to keep out all your products. That is how much love they have for us in Canada. The trouble is that we are all too anxious to buy American products, American goods and American tools of all kinds. Let us turn our attention a little more to British-made things; let us buy British tools such as hammers, and other articles. If the trade commissioners were doing the proper thing they would get in touch with the manufacturers of old Britain and see to it that they open emporiums in Montreal, Toronto, Winnipeg and other Canadian cities. Why should we buy Scotch tweeds in New York? We do it simply because New York is three days away while England is so much more distant in point of time. I readily admit that sometimes we have to do business with the United States; we are forced into this, and I am doing it every day myself; we all have to make a living, and we cannot altogether avoid doing business with the United States. But I do say we should do business as far as we can with the Old Country. We could get from Great Britain such things as crockery, chinaware, tinplate, tools, such as hammers and saws, and in short most of the things that we require; and I do not see any reason why we should not patronize the business people over there to a greater extent than we do. I remember in the good old days when Canada was prosperous we shipped over to Europe the peelings of apples used in the production of evaporated apples; Germany made some sort of drink out of this waste matter, and at that time we lost nothing. But to-day Germany's money is worthless and we have to depend upon the Old Country market, and that is why I emphasize the fact that we cannot depend upon the United States for our prosperity.

Before I conclude I want to appeal once more to the Prime Minister and the cabinet to give Toronto a square deal in the matter of the viaduct. In making this appeal I am only asking the government to do what it is in honour bound to do by the contract of 1913. Whenever I personally have signed my name to any document pledging myself to do anything, I have always honoured that undertaking. And that is what we all expect an honourable government to do. Unfortunately, as I have already explained, when the war came on we could not press the late government to do anything, and furthermore the Grand Trunk Railway got into difficulties. But to-day the parties are all agreed to proceed, and Sir Henry Thornton has stated that if the government will vote the money he will be willing to begin operations. The Prime Minister is familiar with the condi-

tions and I trust that he will see to it that a sufficient sum is provided for in the supplementary estimates this year to start the work. I am not asking for anything unreasonable. There are many public works that are badly needed in Toronto. For example, we have altogether inadequate customs accommodation and offices that should be concentrated in one building we have spread over a mile in twenty different places. This causes untold inconvenience to business men who have to do business in dark holes where there has to be artificial light day and night. The government is spending more money to-day in the way of rent for customs accommodation in Toronto than would pay 6 per cent interest on a million-dollar building. The customs receipts last year for the city of Toronto amounted to $60,000,000, while the post office revenue was $6,000,000; and I might point out to the government that that city has the best-paying customs and excise offices of any city of the Dominion. Surely we deserve some of the money that is made in Toronto to provide decent accommodation; and the government must realize the reasonableness of the appeal I make to-night for the carrying out of the contract in regard to the viaduct. It has been said that the government cannot afford to do anything for Toronto if hon. gentlemen on this side of the House oppose branch lines—at least something to that effect has been stated. But I do not think that any government should be small enough to deprive the city of Toronto of something to which it is absolutely entitled and which the other party is in honour bound to give, simply because of what any members of parliament might do.

Mr. MACKENZIE KING: I am glad my hon. friend has raised the point. I have no doubt that those who were present at the deputation the other day will bear me out when I say that I made no such statement as was attributed to me, in one or two quarters, namely, that whatever the government would do in relation to the viaduct would depend upon what might be done in connection with the branch lines. I made no statement of the kind although I see that a part of the press so construed my words. What I did say—and I repeat it tonight—was that it was parliament and not the government that had to vote the money; and as hon. members know, there is difficulty in securing from parliament money for a number of purposes, and the help given in one direction other things being equal is not without likelihood of proving helpful in another.

[Mr. Spence.]

Mr. CHURCH: With all due respect to the Prime Minister, I submit that his reply is far from satisfactory. A contract is a contract even though made with the government or with the Grand Trunk Railway. The contract is enforceable by specific performance and the government can be taken into the Exchequer Court of Canada and the contract enforced in the regular way. The Prime Minister's reply is not at all satisfactory and there is a legal remedy by way of specific performance. I submit that something should be done to adjust the matter.

Mr. SPEAKER: Order.

Mr. SPENCE: What the Prime Minister has stated to-night I understand to be in keeping with the statement that he made the other day. But I submit that he has sufficient power to be able to introduce a bill in this House and at least give it a chance; and I think he ought to take the matter up with his colleagues and advocate it, with his followers behind him. If he will do this I shall very much appreaciate his action. Now, Mr. Speaker, I have nothing more to say, but I appeal once more to the Prime Minister and the cabinet to give this matter the most careful consideration.

Mr. L. J. LOVETT (Digby-Annapolis): Mr. Speaker, since coming to this House at the opening of the session of 1922, I have been a regular attendant, an attentive listener, and a close observer of all that has taken place up to the present time. Under these circumstances, it is quite natural that one should form his own conclusions and make his own deductions as to the relative merit or demerit of the business transacted in this House. I have reached the conclusion that fully one-half of the time of the House has been wasted in academic discussions that lead nowhere, besides costing the people an immense sum of money. Sessions that have lasted five months could have been reduced to three, and would have furnished ample time to dispose of the real business before the House. Long-drawn out speeches, occupying anywhere from one hour to two and a half and three hours, have been of too frequent occurrence over matters that are of no earthly interest to the country, but which only serve the purpose of satisfying the vanity of certain members who think they are endowed with great oratorical ability.

I believe, Mr. Speaker, it is customary in our Mother parliament for members to seldom occupy more than thirty minutes in the discussion of the weighty problems with which they have to deal. This being the case,

surely we in this parliament, would have ample time to present our views on any question in the time limit mentioned. I would therefore suggest, Sir, that from now on this session be made a purely business one, and that outside the ministers of the Crown, the right hon. leader of the opposition, and the leader of the Progressive group, all other members, who really desire economy, who really desire that the business before the House be disposed of in the shortest possible time consistent with good legislation, who really desire to make this a real businesslike session, confine their speeches to not over thirty minutes duration.

Having said this much, permit me to offer my hearty congratulations to the Acting Minister of Finance (Mr. Robb) and the government, on the wise, sound, and able budget which has been presented to this House; and especially do I wish to congratulate the Acting Minister of Finance on the splendid manner in which he acquitted himself in presenting his first budget. I know its contents cannot be considered healing balm to the official opposition, but on the contrary it has rung the death knell to their hopes of a speedy return to power, for they must know that this budget will be thoroughly acceptable to the Canadian people. It is a straight tilt between the forces of high protection on the one hand and those of low tariff on the other. The line of demarcation is clear and distinct. The cleavage between the two parties is clear cut and well defined. The gauntlet has been thrown down and we on this side of the House are not only anxious but eager to take up the challenge when the time shall have arrived to go to the country and meet our opponents on the battle ground of reduced taxation and lower tariff, confident in the belief that the downward revision of the tariff will again restore to the country an overwhelming measure of prosperity.

There are, I believe, three distinct lines of thought regarding our fiscal policy: One of free trade, ideal in theory, but impracticable at the present time, as every sane and reasonable man will admit; one of high protection, which is the god of the Tory party, and which has been tried out in this country under the so called National Policy, but has been weighed in the balance and found wanting; one of low tariff, which by the bringing down of the present budget, has received a new impetus and called into being a real "national policy," which will be far reaching in effect, placing agriculture and all our other basic industries on a sound footing, and at the same time preserving and fostering our manufacturing industries.

No matter what the tariff policy may be, you will always find our manufacturing friends clamouring for more protection, in spite of the fact that they have been pap fed for years and years. Why, Mr. Speaker, their field of vision is so limited, so self-centered, that they begrudge concessions, no matter how small, to other interests in this country. They are so blinded by selfishness that they overlook the fact that the success, expansion, and development of our basic industries is the one thing essential to the success or failure of our manufacturing concerns. We have, in the budget just brought down, a tariff policy on sound Liberal lines calculated to give all interests in the Dominion a fair deal, and in no instance can it be fairly said that hardships have been inflicted on anyone.

The member for West York (Sir Henry Drayton) in his opening remarks previous to adjourning the debate, leaped at once to the front, and in his warrior-like style endeavored to detract from the real significance of the surplus as stated by the acting minister in his budget speech, claiming that ten millions should be credited to the former administration, as it was derived from acknowledged Imperial book debts, which had been pending for a long time, a settlement of which had been recently effected. Perhaps there is something in the hon. member's contention, but in order that the matter shall be fairly understood, let me remind the hon. gentleman that when the Liberal government went out of office in 1911, they left in the treasury a surplus of some thirty millions of dollars, so if the ten millions claimed by him is deducted from the thirty millions left by the former Liberal government there would be a balance of twenty millions. This added to the twenty millions surplus of this year would give a surplus of forty millions, instead of thirty millions as announced in the budget speech. So I think the hon. member will not find much comfort whichever way he takes it. Let me also point out to him and his party, that if this $30,000,000 surplus left by the former Liberal administration had not been sqandered by his government there would not be to-day the same reason for the existing high taxation. The people of this country have no one to blame but the former administration and their friends for the immense burdens they are now carrying, and it has been left to the present government to tackle the most difficult task, to disentangle the most awful mess, and to solve the most complex problems, that have ever faced any government in this country since confederation. But I am proud to say that this government grappled with the task

before them in a statesmanlike way, and, as the present budget shows, by strict economy and retrenchment they have relieved the taxpayers to the extent of $24,000,000, a reduction of $2.70 for every individual in this country.

I believe, Mr. Speaker, that when the people have had time thoroughly to study and digest the provisions laid down in the budget there will be on their part—and especially does this apply to the farmers, lumbermen, fishermen and miners—a feeling of high hope and optimism and a determination to carry on with renewed vigour and energy which will augur well for the future of Canada.

It is not my intention to analyze in detail all the provisions contained in the budget. Suffice it to say that at last the basic industries of this country have received that recognition to which they are justly entitled. To those who have closely scanned the provisions of the budget the conviction has come that the right hon. leader of the opposition (Mr. Meighen) is certainly a false prophet, because his prediction, so sneeringly made, of an infinitesimal reduction of duties and taxation has not been fulfilled. It only needs the comments of the Tory press to confirm the fact that this budget is in the interests of the Canadian people as a whole, that it is a budget designed not in the interests of the rich and the powerful but in the interests of the great mass of Canadian people, and at the same time not destructive of legitimate business interests. Looked at from every angle, it is not only fair in its provisions but must be considered an intelligent and honest effort to adjust the financial problems which have been harassing and embarrassing the Canadian people for so long and preventing the prosperity which all true Canadians would like to see in our Dominion.

Since coming into power we as a party have been continually sneered at by the official opposition and accused of not carrying out our pre-election pledges. Now that we are carrying out those pledges we are blamed just the same, so it is a case of "damned if he will and damned if he won't." But the method they are pursuing in dragging a red herring across the trail in order to divert the attention of the people from the awful mess which they made of the finances of this country during their term of office is not, and will not be successful. The people will remember for many years the plight in which the former government plunged this country during the time they had seats on the treasury benches. Well do hon. gentlemen opposite know, Mr. Speaker, that under the legacy of debt and obligations they bequeathed to us it was not possible for the incoming government to reduce at once to any great extent the burden of taxation. Only by determined effort, only by fearlessly cutting expenditure, was it possible to make the large reduction of $24,000,000 in the taxes of the people as outlined in the budget, and also a reduction of $30,000,000 in the public debt. Nor could the government have effected this reduction had it not been for their business ability and acumen, qualities which have resulted in their being able to declare the great surplus which has for the first time in many years replaced the dreary tale of enormous deficits. Surely, Mr. Speaker, all sane, reasonable and fair-minded business men in this country must respect an administration which in two short sessions in power has been able to make such a remarkable record under such adverse conditions. That record is a conclusive and complete answer to the propaganda of pessimists and the "whispers of death" that have been circulated throughout the country by the Tory party and Tory press. I believe that our opposition friends never dreamed that any government could emerge from such trying difficulties as those which faced this government upon attaining office and find the rightful solution, which they have undoubtedly found, to place this country once again on the road to prosperity.

There is one thing certain, Mr. Speaker, that the government's task has not been lightened in the slightest degree by any constructive ideas furnished by the opposition or by the Tory press. They have clung like barnacles to their restricted idea of protection and high tariff walls, and are bitterly disappointed because the government has in its budget cleverly elucidated a policy which will undoubtedly win the admiration and commendation of the majority of Canadians.

I alluded in my previous remarks to a real national policy, a new national policy, if you will, which has been called into being by the pronouncements contained in the present budget, a policy that has given the country true leadership and is bound to renew and stimulate interest in the solution of our national problems. It has awakened in the minds of all true Canadians, young and old, the great possibilities that lie before us. It will not only retain within our borders the young and virile manhood of our country, but will also act as a beacon to attract again to our shores those who have sought other countries and are only awaiting more prosperous times to return to their native land.

The rallying cry has gone forth for advancement and progress. The Tory policy of in-

action and negation which has caused this country to flounder in the slough of despond for many years has at last given place to a true national policy, and in place of the dark financial cloud that has hung over this country like a pall we see upon the horizon the dawn of better times, the brightening rays of hope. All true Canadians will register the vow to press onward, with the firm determination to do their share in helping to complete the task which is still before us.

Mr. D. W. WARNER (Strathcona): Mr. Speaker, I wish to associate myself with those who have expressed regret that our Finance Minister (Mr. Fielding) has not been able to present what would have been his eighteenth budget. I wish also to compliment the Acting Minister of Finance (Mr. Robb) upon the businesslike, lucid and fair budget that he presented to the House. I say fair, because this budget takes the first step that we have had in the direction of a satisfactory reduction in customs duties since I have had anything to do with parliament, and for a long time before that. In fact, it is the biggest step taken in that direction that I know of since I came to Canada. But the budget is not so outstanding or so acceptable for what it does in itself as for what the government have proclaimed in regard to it. Some of the remarks made by some of the ministers on the other side of the House are in my opinion perhaps even more noteworthy than the budget itself, for we have had one minister, the Minister of the Interior (Mr. Stewart), state that he hoped this budget sounded the death knell of protection in Canada. Now that is a significant statement, and we hope that his prophecy will be fulfilled. We as a group are not asking, and the people who have elected us have not asked, for free trade all at once. We have never expressed a wish for absolute free trade all at once, although we believe that we should have our tariff reduced to a revenue tariff basis just as soon as possible, and there are reasons for that.

In my discussion of this subject I think I should take a little different line from what most hon. members have taken who have spoken so far in this debate. We have heard it said many times that the United States has prospered wonderfully on account of the tariff that protects her industries. I challenge that statement. I lived in the United States until I was a man of middle age, and I have some knowledge and definite opinions regarding this question of whether the United States has prospered on account of the tariff or in spite of it. My own opinion, which I will present as well as I can, is that the United States has prospered in spite of the high protection which she has carried. I can remember to as far back as about 1868, soon after the war in that country. The United States was in a bad condition at the end of that war, just the same as we are now, and perhaps their condition was even worse. I have seen people in the United States suffer more from the bad conditions than I have yet seen people in Canada suffer, except perhaps where there has been a drought or some other calamity of that kind. But that is not saying that Canada has done as well as she should have. I do not think she has.

Now I want to give my opinions why I think the United States has reached the state of prosperity she has. The first development that I remember distinctly as a boy in that country was the building of the Union Pacific railway across the western part of the United States. That was followed by the building of a railway across the southern part of the United States, a transcontinental line. Then came the building of the Northern Pacific across the northern part, followed soon after by the building of the Great Northern, another transcontinental line, and all of these went through good country. To be quite frank I think the tariff has had very little to do with the prosperity of the United States up to this time, except at intervals, and there were periods when their tariff bore down very heavily on the people. We are in just a similar period now, with the tariff bearing very heavily on the working and middle classes of this country. To some people it is rather a mystery why Canada has not developed as fast as the United States. It is as old a country as the United States. I do not know so much about the early period after 1868. We knew but little of Canada then in the United States, and we had but little chance to learn about it. All I can do, practically speaking, is to take history and hearsay for what happened in Canada until I came to this country. In the United States after the rebellion we started out to develop a country that was just as big in area as Canada is, although more varied in climate. It was a country rich in all sorts of resources, and we had then a population of from thirty-six to forty million people. Now a country with so many people would have a big advantage over Canada with its seven or nine million people, which is what the population has been since I came to this country twenty-five years ago. I do not know exactly what the population of the

United States was at that time, but it was somewhere in the neighbourhood of thirty-six to forty million people, and with that number you could develop a country much faster than Canada could be developed with its seven or nine millions. Taking it all round, I do not think the United States is a better country than Canada, but they can raise in some parts of the United States things that we cannot raise. In Canada, producing the things we do, we should have prosperity, but we have had handicaps from which the United States has not suffered to the same extent, on account of her big population to start with. Then the United States adopted a policy of soliciting immigrants from all countries. It got many from the British Isles, and a considerable number from the continent: the people arrived so fast that they undoubtedly helped to develop the country very quickly. But I can remember when the United States was handicapped for labour and also suffered greatly for lack of capital. In the period of which I speak nobody talked of the tariff either promoting or retarding development, and yet the tariff was high all the time. But when depression came we noticed the effect of the tariff as we are noticing it in Canada to-day. During the period of which I speak there were times when the United States had to fall back on what it was producing. In the beginning capital came from England, Scotland and Ireland to a greater degree than from any other country. Capital from the British Isles, from France, and from the rest of Europe, poured into the United States for investment, and development was carried on with this borrowed money. The rate of interest was high but in view of the richness of the country not much thought was taken of that at the time. Development went on rapidly—the development of new lands, the construction of railways to those lands, the establishment of new cities. As I have said a large amount of capital poured into the United States from other countries for these purposes. At the time this development was in progress the people were not dependent on what they produced from the soil. They got capital readily for speculation and for future investment and, naturally, everyone spent money lavishly. And things continued to go on in that way. Well, the population grew enormously, and their markets increased. But I can well remember when the exports to what we called "the Old Country" set the price of all that we raised in the United States, and there were periods when it was very hard to stand the price at home which was fixed by the price put on the products we exported. And that is just the position that Canada is in to-day. I have known wheat, not always of the best quality when compared with Canadian wheat, to sell as low as thirty and forty cents a bushel, and hogs on foot to go at as low a rate as $1.60 a hundred. This brought about a change in the economic conditions, and people began to wonder what was the matter. They began to see that the tariff was pressing on them unduly. I remember 1873 as the period when people first began finding fault with the tariff. And hard times prevailed then. I do know the tariff was not beneficial in its operation then. In my opinion all that it did was to keep those people in a poverty stricken condition until production of various kinds mostly agricultural could get things going again. At any rate, the fight began against a protective tariff, and many people who had been Republicans and had asked for high protection turned round and voted the other way. The Democrats then took office and they were supposed to be a low tariff party. They did cut the tariff down somewhat but they were much like the governments that we have had in Canada —they kept the general level of the tariff very much the same. But during this period we had bank failures, and great business depression outside of the depression in agriculture. Clothing, implements, and other necessities were hard to buy. It was evident that the tariff did enhance the price of things the people needed, and they began to study the fiscal question and to understand it. In view of these facts I am ill-disposed to accept the argument advanced by some hon. gentlemen in this House, that it was the protective tariff that brought an immense population and great prosperity to the United States. I do not believe for a moment that the tariff had any such effect, and I think I know what I am talking about. The reasons I have described were rather the cause of the prosperity which came to the country to the south. There was the fact that the United States was a country of great natural resources, there was the restless ambition of her people, and the possibility of easily getting capital to develop the country. I do not say that it was the best possible thing that those people obtained so much borrowed capital, but nevertheless it was an instrument in the rapid development of the country. But the argument of the high tariff policy—and the manufacturing industries profiting by reason of it and thereby giving prosperity to the rest of the country—does not explain the great material advancement of the United States; the facts

are absolutely the reverse of that. The development of the natural resources of the country, and the cultivation of the soil as the republic grew, made it possible for manufacturers to come in and establish themselves and get a market for what they were manufacturing.

I do not know that there is any need for me to progress any further along that line. I simply wanted to express my opinion regarding the effect of a protective tariff on the United States. It does not follow that what happened in the United States can be duplicated in Canada to-day; there were many more people in that country when its period of great development started from forty to fifty years ago than there are in Canada now. Perhaps I may be pardoned at this stage for telling a story regarding the protectionists in this country and the conditions that prevail in Canada after operation of forty to fifty years of a protective policy. There was a coloured man who quarrelled with the rest of the people in his community. He found considerable fault with all the other people and considered that the blame rested with them and not with himself. Somebody questioned him about it and he said that he wished everybody but himself were dead. He was asked what he would do then. "Well." he said "I would keep store." Now, it looks to me, after forty or fifty years of high protection in Canada that nearly everybody not engaged in industry has been killed off financially so that they cannot buy the goods the manufacturers are making, and the industrialists are trying to "keep store" when other people are not able to buy.

10 p.m.

Mr. STEWART (Leeds): May I ask the hon. gentleman one question?

Mr. WARNER: If it is for information, yes.

Mr. STEWART (Leeds): Would the hon. gentlemen be good enough to explain why the farmers in the United States are so much in favour of protection?

Mr. WARNER: Yes, I shall be very glad to do so. I will answer the question at a little length because I want to reply to it in my own way. When land was high in the United States twenty-five years ago I left the country, I wanted to get away from high priced lands. I came to Canada. I found that things looked good enough for me in Alberta to make the attempt to live there. I found no fault with the country, as far as the conditions were concerned, but I was getting to a point in the United States where I could not make an income on the money that I had in my land, it would not earn interest on the capital invested; and that condition has been growing worse since that time and is a good deal worse now. I went back to the States about six or seven years ago and I found that land that used to be held at too high a price, $40 to $60 an acre, had risen to $300 and $500 an acre, on account of the boom and the speculation in land, and not because the land could produce that much money. On account of the high price of land, and not understanding what was going to happen, people bought land, and many of them paid down the earnings of a lifetime when they were middle-aged, all the money they could get, on the purchase and when the crisis came after the war and the price of produce went down they were unable to pay for their land, and after having paid all that they had saved up in their lifetime many of them had to leave the land. The price of the land was above its earning power; the land would not pay interest on the investment. Then they turned around and asked for a tariff to protect them against our wheat being brought in there to make good flour for them. Just exactly what has happened in the United States is going to happen in Canada if we do not come to our senses soon enough. The price of our land is not yet above its earning value, but the protectionists of this country want to protect us as the United States farmer is protected on the other side of the line, where somebody else gets the land and the farmer has to go away on foot. When the price of land gets above its earning power and will not pay interest on the investment, no matter what protection you may have, if you have to depend on the export market, you are not going to be able to protect that farmer. But the United States farmer is in a little different position to-day. He does not get as good a price for the produce he exports at the present time as for that part of his produce which is used at home in case of a few articles and they of course are human. After the bad condition they got into, the politician came along who wanted to make political capital out of the bad condition of the farmers. The position was much the same as that brought by the St. Lawrence and great waterways agitation. They are putting words in the mouths of the people of the West and making them say they want the great waterways. That is what the politicians did to the farmers in the United States who had lost their homes and were unable to pay their way out of the produce they were raising on those farms. I spent five weeks in the United States last summer, and I can tell hon. members that the

farmers there are beginning to see that they are not getting the benefit out of the tariff that my hon. friend thinks they are. They tell me they have had absolutely no benefit from the Fordney tariff at the present time, and it has been the politicians in the United States who asked for the tariff, rather than the farmers themselves. The same thing is going on in Canada to-day. In my opinion it is absolutely dangerous to make political capital out of either tariff protection or free trade. I have never in my lifetime known any subject which has befuddled, mixed, and that bothered the people as much as the tariff has. It is a complicated affair, and people who are not willing to take a great deal of pains and make a study of it could be made to believe it could do anything, and that is what has happened in Canada. I think the time has come in Canada, before we get into a worse condition than we are in at the present time, that people should have some consideration for what is good for the country, rather than for what is good to build up a political party.

Western development as we have had it is a matter that is fresh in my mind. I understand it a little better than the building up and development that went on in the United States, so many years ago, although that is quite plain to me. I left there some twenty-five years ago, and I have been more or less out of touch with conditions. But I feel that I am understanding western conditions and what has happened out West. When I first went into that country we could get land very cheaply. The first land I bought was near the little town of Edmonton; it cost me a little less than $6 an acre, and I bought quite a good sized farm. On that investment in the land we could earn a good return, and things looked bright to me. My boys were growing up on the farm, and we made money under those conditions. By and by the boom came on and people began to throw money into that country for investment, and to buy land for speculation. They bought land to sell again, and not for what they could make out of it by farming. That spirit ran away with the people for a while. The same thing happened in the United States. They boomed the land, and of course the land rose in price. We have stopped short of the calamity which has befallen the farmers of the United States, as far as the price of land is concerned. We can make something out of our land here. If a man buys land in western Canada judiciously, it is possible in ordinary times to earn an income on the money he puts into it. Farming was not so attractive to people for a few years. They wanted to buy a farm and sell it again. They would buy it for an investment, allow it to remain there and increase in value. They purchased the land for the sake of the increased value rather than for what they could get out of the land by way of production. That went on for some time, but it has stopped now, just as it has in the United States. At different periods the same thing happened to the United States that is now happening in western Canada. We are in a condition now in western Canada where we must farm and dig out of the soil what we make, because the money is not coming into that country for future returns on investment or for speculation as it was a few years ago.

It is very difficult for the farmers out in the West now to make any sort of living. It is now that the people are beginning to feel the depression, just as they did in the United States at certain times in the history of those people; and reductions in the tariff are now most welcome. It is simply because the farmers of western Canada have suffered from this depression that they have sent their representatives here to tell parliament that they absolutely cannot stand it any longer. They are unable to dig money out of the ground fast enough to pay for their farms, and to meet their other obligations. So we think that the government has taken a step in the right direction in beginning to reduce the tariff, and we ask that everything possible be done as well in every other way to provide some relief for the people. There are many things that need to be done; one thing alone will not suffice. When money flooded the country we did not feel any depression and the tariff did not appear to the people then as a very great burden; but to-day, labouring under the depressing influence of conditions as they exist in this country, if the people are to be saved, their burdens must be lightened. I repeat, the tariff alone will not do everything; but it certainly will help to a considerable extent, and while I may not live to see free trade adopted in Canada I do hope that I shall live to see the time when we shall at least have a tariff for revenue rather than for protection and just as near free trade as is possible or practical. I know from my experience in the United States that in that country the people were visited with periods of depression just as we are suffering to-day; these times of depression come and they go. But so far as Canada is concerned, I am afraid that if something is not done there may come a time when the depression will come to stay. I do not want

to be considered a calamity howler for a moment because I believe that it is possible for the country to get fairly well on its feet if the government will do all that it can. And we have the promise that they will do more next year, or at any rate at some time in the future, than they have done in the present budget in the way of reducing the cost of living. We also need lower transportation rates, so that the people may get their products to market with the least possible delay and at the lowest cost. These are the problems which we must solve. I know something about manufacturing, because, I may remark, farming is not my only interest. I am connected with manufacturing industries and I know that we must borrow money; and when money is borrowed the concern must pay interest on it first of all before it can make a profit. What happens? That interest is charged in the price of the article we produce or taken off the price of the raw material. And there is no other way out of the difficulty; the business cannot be run otherwise. I am just as satisfied as I am that I am standing here to-night that Canada to-day is paying too much for the use of money which she has to procure to do business with. It is not only desirable but it will be absolutely necessary to reduce the rate of interest, and if the bankers and other money lenders are determined to maintain a high rate they will meet disaster without a doubt. They have no right to hold up the people and make them pay more than they can possibly afford for the use of money. At present this seems unavoidable. There has been a lot of talk about the banking system, and I believe that conditions in western Canada would have been better if it had not been so easy for people to borrow money. The bankers induced them to borrow when things were in a flourishing state and the time is not opportune now to force people to pay high rates of interest on their obligations. If the interest that a country has to pay on the money it requires is higher than it can stand, surely it is in the best interests of national economy that the rate should be reduced, but the individual person or company can not do this alone, it will have to come through a concerted action; it seems to me that it would be better for the money lenders to charge a reasonable interest which people can afford to pay than to demand a high rate of interest which it is impossible for ordinary people to put up. The manager of one loaning company in the West with whom I am acquainted informs me that by reason of the judicious placing of his money he has not lost one cent during the past few years. I cannot remember whether he said it was within the past five or seven years, but I am inclined to think that it was since the war that he said he had suffered no losses, having disposed of his money judiciously, of course. The people to whom he would lend money were those who could afford to pay, while those who could not pay had to go to the wall. Everybody, of course, expects security for money that is borrowed, and it is better that way. But if the interest is 8 per cent and the people cannot afford more than 4 per cent, would it not be better for the lenders to take 4 per cent, even though they might suffer some hardship along with other people until things became normal again?

Mr. STEVENS: Would the hon. gentleman fix the rate of interest by statute?

Mr. WARNER: I do not know about that. My hon. friend is a lawyer and he knows more about these things.

Mr. STEVENS: I deny the soft impeachment.

Mr. GRAHAM: You have to draw the line somewhere.

Mr. WARNER: I am not going to say where we should draw the line but I do say that it would be better for the lenders to take a reasonable rate of interest rather than ask for an exorbitant amount. When I was a young man I was not blessed with much money; I was pretty much in the same position as my hon. friend who spoke a little while ago (Mr. Spence). I often had to borrow money from the banks and I know how difficult it was to meet their conditions. In the state of Nebraska where I lived—and bankers are pretty much alike all the world over—there was a legal rate of interest of 7 per cent, and on special contracts 10 per cent per annum. The remarkable thing was that when a man borrowed money the banker deducted from the sum he gave him an amount covering the first year's interest. I can tell hon. gentlemen that it was not a very pleasant experience for me, for I have paid all the way from 10 per cent to 24 per cent; I have been asked as high as 36 per cent, but I never paid more than 24 per cent, although the bankers were operating under a law of the state of Nebraska that entitled them to 7 per cent interest when rate not specified but with an interest of 10 per cent on special contracts. They circumvented the law, and I do not know that the bankers here would not do the same. I am not saying that they would; I do not know whether they would or not. I do not

know whether we can regulate the rate of interest by statute, but, if possible, it seems to me it would be good business to do so, for if the money is not worth what our people are being charged for it the bankers themselves will suffer because after a while they are going to be like the darkey—they will be trying to do business when there is no business available.

Mr. STEVENS: If parliament were to fix the rate of interest chargeable by banks at a moderate figure, would it not tend to drive the poor borrower into the hands of the rapacious money-lender, who charges ten, twelve or fourteen per cent interest?

Mr. WARNER: That might be so, but I would tell my hon. friend this: I do not believe that the poor borrower is in very merciful or tender hands at the present time.

Mr. STEVENS: I quite agree.

Mr. WARNER: So, after a man is broke I do not think it makes much difference where he goes for accommodation; he is bound to have a hard time anyway. I am not asking that money be loaned to anybody who cannot give security. It is unfortunate, but the human family is built that way: we do not want to put our money out at interest where we see little prospect of ever getting it back. But it is my opinion that our civilization cannot stand the rate of interest which is being charged to-day, and I fear that if the people are forced to the wall one at a time it will eventually lead to their rising as a body and exacting penalties.

I did not expect to get into this line of argument, in fact I drifted into it. But I think it is important to say this: I believe that restricted purchasing power is a part of our trouble. I do not believe that the tariff is to blame for all of our troubles, or anywhere near all. It was said by my leader (Mr. Forke) this afternoon that it is not worth while for the manufacturing interests or the protectionists to undertake to raise the price of their goods by raising the tariff. That that is not the way out is my honest, sincere conviction. I do not think that the manufacturer can help himself out of his troubles by raising the price of his product. I believe that to-day our manufacturers are suffering simply because the people are not able to buy the manufactured goods that are being turned out. It is this inability on the part of the people to buy, this lack of purchasing power, which is hurting the manufacturers to a far greater extent than outside competition. For example, in my own part of the country the people are fixing up their old machines. These old machines are not really capable of doing good work, but their owners are disinclined to pay the price for new machinery. Well, if the price is already too high, how are the manufacturers of such machinery going to increase their sales if they advance their prices? I told the House a little while ago that I was connected with a couple of important business concerns. Our experience there is that the most satisfactory results are obtained by increasing our turnover at low prices rather than by securing higher prices on a small turnover.

Although I presume that some may think it not good taste on my part to offer advice to our manufacturers, still, I think I know a little about how to carry on business, and therefore I tell them that many of them would be better off if they would mark down the selling price of their products, reduce their manufacturing cost, squeeze the water out of their capital stock, and get down to a real valuation of their actual operating capital. I do not care how much money I might make on the transaction, no man could sell me watered stock. I have had lots of opportunities to buy watered stock in various companies, but I am not out to make money in this way. I do not know how many of our manufacturing concerns have watered stock, but certainly I am not in favour of such concerns attempting to get a return on watered stock by means of charging high prices on a lessened turnover, which would be the result of their securing higher protection.

There is just a question in my mind whether my advice in this respect would be absolutely sound. I admit this, because it is my opinion that our farm implement manufacturers already have the power and ability to turn out more implements than Canada would be able to buy, even at lower prices. To meet the situation these manufacturers must be willing to do as we farmers have done; when we raise more wheat than we can sell for domestic consumption we sell it in the world's market and take what we can get for it, and the price we obtain fixes the domestic price. I am well aware that our manufacturers would hold up their hands in holy horror at such a suggestion. They say that they cannot do this. But they are already doing it. They are exporting their implements and selling them for less than we can buy them for in Canada. We have the price of our wheat at home set largely by the surplus that we export. If the manufacturers would take their medicine

and do likewise they would bring money back into Canada and so help business, which would be a great deal better than their trying to make Canadians pay more for what the manufacturers offer for sale. I do not see how our manufacturers would really be benefited if they could raise the price of their product by protection. I do not believe that we farmers could afford to put a price on our wheat and say that we would not sell until we got that price; we could not do it. But I do know that the whole Dominion is dependent very largely on the output of the farm, and that agricultural prosperity is at once reflected in every other channel of business. The money that comes in from our produce sold outside is new money in this country, and we are that much better off each year. Although the farmer may lose money on his personal operations, Canada at large has that much more wealth at home.

The home market is all right, and I want to see more of it. But my hair is too grey to wait till the home market can take care of the extra produce that I want to raise on my farms. I have a note here: Why are our people leaving Canada to go to the United States? There has been a good deal of discussion about this question. I do not claim to be sufficiently well posted to know just how many of our people have migrated to the United States to make their homes there, and I doubt whether anyone else knows either. But there must be something in what everybody talks about. I do not know that I can tell in every case just why our people are going to the United States in such numbers.

It makes me feel that some hon. members are playing politics when they talk about people leaving the country on account of the present budget, though it has not yet gone through the House. It seems to me that is a little previous, a little premature. I believe that more people have gone to the United States on account of protection than ever thought of going on account of this budget. Some of the best people I ever lived amongst came from Canada into the neighbourhood where I was, and settled there, and I grew up among them. I liked the Canadians, and I like them now; they have always treated me well. But why were these people going over there thirty or forty years ago? They did not go on account of this budget, that is sure; but they have been going right along, although we have had protection for forty years. Hon. gentlemen cannot afford to make political capital out of the present condition of this country. If we would come here with the best interests of our country at heart, thinking nothing of politics, nothing of strengthening our party or of whether or not the people would send us back here; if we would simply get down to business and think of the welfare of the country instead of the interests of the party we belong to, we would make more progress. Canada is a big country; it is a rich country and we could have more people; but if we want people to come here we should not be squabbling among ourselves about what keeps them away. We have great natural resources and we should bend our energies to bringing enough people here to secure their development. But when we bring people here we must do everything that is possible to make them prosperous.

It is a fallacy to say that the United States has been made prosperous by its protective tariff; rather it should be said that the United States has been made prosperous in spite of its protective tariff. I say this after living in that country until I was middle-aged, and I know something about it. You will bring Canada to the position you desire much quicker by lowering the tariff so that living will be cheaper and conditions will be more attractive in all lines of activity. And let everybody make up his mind to earn what he gets rather than to make a profit on speculations, increased land values, watered stocks, and so on. The immigrants who come here come, for the most part, to a better country than they left, and the chances of their being prosperous are likely to be much better here than they were in their native land. We could have three or four times the number of people that we now have and still be prosperous, and it would be easier to solve the problems which face us. We want to make living on the land attractive so that the people will make their homes there and stay there; we want to have it so that the people would rather live on the land than anywhere else. I do not know how much it is possible for this government to do, but I believe that the lowering of the tariff would help along that line.

Mr. SUTHERLAND: Would the hon. gentleman favour the lowering of the tariff on agricultural products?

Mr. WARNER: Well, the question is all right, and I am glad to have it. I do not know what the hon. member refers to. I do not believe I raise anything that has benefited by the tariff that is on it now.

Mr. RYCKMAN: How about butter?

Mr. WARNER: The tariff on butter is only four cents.

Mr. RYCKMAN: Is it enough?

Mr. WARNER: I am not asking for a higher tariff on butter. I am not saying anything about the tariff on butter. But there is a duty of 8 cents on our butter going to the United States, and I would rather see them take off 4 cents over there and bring it down to what ours is.

Mr. SUTHERLAND: But they will not do it. What about the tariff on meat?

Mr. WARNER: I do not want to get into a discussion on the tariff on meat. But it is not possible to help the farmers of this country by a tariff on butter or meat or anything of that kind, because we are going to raise more and more of those products and send them out to the world market. That will make the price on the home market rather than the tariff having anything to do with it.

With regard to the amendment, I would like to have an opportunity to support some of the items mentioned in it, although I think it will frighten our protectionist friends and those who are asking for protection on both sides of the House. I do not know that there are any of those in this group to the left; it is the only group that does not have protection in mind.

Mr. STEVENS: There are one or two of them there.

Mr. WARNER: I do not know about them. Now, I am not standing here and boasting of what I have, but I am not a pauper, and I want to say that I am absolutely in favour of increasing the income tax and using any money we have over to pay off our national debt. Where a man has an income of fair amount we know that there is a source of revenue, but if we impose large taxes on the smaller income of the man who has a family we are making it hard for them to get along. It is difficult to get money for business purposes when you have a very high income tax, but if those who have money in this country are patriotic they will put it into manufacturing enterprises and thus help the country to go ahead, rather than hide it away in their stocking. So I say we should get the money where it can be got, and we should increase the income tax. I do not say that I want to see the income tax continually increased from time to time indefinitely, but we have a debt in this country that we have to pay, and we have to dig it out of this country. The money is not going to be sent in here to pay it. If you take the money from the man who is able to pay, it will help pay our debt. I do not see how you are going to pay it unless you take it where it can be got.

There is another tax I would like to heartily support, and that is the inheritance tax. The question is raised whether the Dominion or the provincial governments should impose such a tax, but no matter in which field it lies, I think it would be a good way of raising money. If a man has raised a family in Canada and they are not able to take care of themselves, but are dependent on what money he has made during his lifetime, they are rather a handicap than a benefit to Canada. I am a little doubtful whether anyone who is not willing to work for a living and make his own way, and who lives on the money left by large estates, is not rather a detriment to the country. So I say we should take quite a lot of money from the large estates, and let the children do what the parents did, earn their own living and become good citizens. They will develop themselves much better in that way than if they are allowed to spend inherited money in riotous living. Whether the provincial governments or the federal government impose the tax makes no difference in principle.

Coming now to the amendment and the proposed reduction on clothing and the necessaries of life, there is not much of a tariff on food stuffs of such kinds as we produce in Canada at the present time. So far as clothing is concerned, I suppose that the man who produced the wool in this suit I am wearing would not get much more than two dollars for it. I had the figures, but I have not them with me now, and I am doing a little guessing. This suit cost me with two pairs of trousers $75. That is too much protection for me. The same prevails in many other lines particularly in boots and shoes.

Sir HENRY DRAYTON: Wool is on the free list.

Mr. WARNER: That is one on me, if it is, but I have had scores of petitions and blotters coming to me saying, "Don't blot out this industry; give us protection." So if they have not protection now, they must be asking for it.

Sir HENRY DRAYTON: Woollens are not on the free list, but the raw wool is.

Mr. WARNER: I know what the hon member says is true. I have the patriotism of the manufacturer right down in my head real good. An hon. member to my right during his speech was asked why the manufacturer did not use the native raw material, and he replied that the manufacturer could buy cheaper material from the other side

and get just as much for it when he sold his product, or pretty nearly so. Now that is patriotism with a vengeance. If the manufacturer would stand right up to his work, and turn out his goods as cheap as he could, if he would do as the farmers are doing in this country, we should be a double team then and we could make this country go; but as it is now the manufacturer—and I know because I am in the business of manufacturing myself—passes along all the expenses of his business to the consumer to pay, or takes it out of the producer of the raw material. He wants the other fellow shut out of the country so that he will not have to sell in competition with him, and he wants to put the people out of business, like the nigger that wanted to keep store after the people were dead. That is how patriotic they are, in my opinion.

As to the manufacturer of farm implements, there are millions of dollars worth of farm implements piled up in factories and storehouses in this country, lying on the hands of the manufacturers, which would not be there if we had not had protection to the manufacturer for the last forty years. The manufacturer is reaping the result of that policy now, because the people are not able to buy what he has to sell, and he has to quit business. He has blocked his own game. I am ready for questions on that. He has blocked his own game, and now he wants protection in order to accomplish an impossibility. He wants to try and lift himself by his boot straps.

Sir HENRY DRAYTON: Is that the reason why the farmer is importing some $13,000,000 odd of agricultural implements as against a local sale of some $18,000,000? He can afford to buy the imported article.

Mr. WARNER: I will admit frankly I do not know just what implements are being imported and sold. They may be selling them, but I do not know anybody who is buying many of them. If the manufacturer were as patriotic as I think he ought to be, he would pay an excise duty equal to the duty paid on these implements entering Canada, because he can make them as cheaply as the manufacturer he is competing with. And whenever the manufacturer is ready to pay that excise duty, I am willing to give him protection, because we have to raise the revenue to run the country.

Mr. STEVENS: Would the hon. member also include an excise duty of 4 cents a pound on butter?

Mr. WARNER: Absolutely, if it ever amounts to that much protection to our business. As far as I am concerned I can promise that. I am manufacturing butter, and I know who pays the bill. The man who produces the cream is the man that pays the bill. I am a farmer and cream producer as well as a manufacturer of butter and I would be the goat for myself as well as for all the rest of the Canadian manufacturers. We have to pay interest and overhead, and he would have to take the loss. I do not want to see that, although it would not hurt our concern personally and it would not hurt the other manufacturer to stand it either, because he passes it on to the buyer.

Mr. STEVENS: Would it hurt the farmer?

Mr. WARNER: It would hurt the farmer, he would have to take that much less for his cream. And it has to be that way; a business has got to pay its overhead or it cannot keep running. We cannot pass on that duty in the price of butter, for that price is fixed in the world market.

Now, I was talking about the amendment. I have said that I would like to get an opportunity to vote for some of the things in that amendment but when they are coupled with other questions I do not see how I can do so. Talk about your natural resources! We are going to have our premier down here from Alberta in a few days asking for these natural resources. Now, we do not want the Dominion government to levy taxes on these resources if we get them. We want those resources for what there is in them; and if the Dominion government cannot levy, as proposed by the amendment, on those resources, then they are going to be short the amount of money that taxation would represent. I do not know how they are going to calculate the amount. I could not do it offhand, I should have to study the question out and it would take some time before the system would be running properly anyway. But I want to see the province tax its natural resources. We are already paying on land values, and as to this question there is a whole lot of myth. There is a lot of talk by people who do not own land. I own land myself and I know something about the question. We are paying about all we can pay for land at the present time, but that is not my objection to this proposition. I repeat that land value is a myth. I want to tell you this: I have been a good deal of my time where land was not

worth a cent an acre. Go out into a new country where there is absolutely nothing done. That is the only way that you can put a price on unimproved land values. It has been done otherwise, but it is largely guess work. Some of my land near Edmonton is valued for taxing purposes at $50 per acre. Land farther back is valued at less, considerably less; but it all depends on the improvements in Edmonton. I say again land value is a myth, you do not know what you are going to get when you put a tax on land values. I have worked for a tax on unimproved land values, but since I have been studying the question I have been wondering how much there is in it—I really have.

Now, when I consider the items in the amendment I do not think that I can support it conscientiously, although I should like to get some of the things that are mentioned in it. There is another point. We have a government in Canada and hon. gentlemen opposite are running it for us.

Sir HENRY DRAYTON: With you.

Mr. WARNER: I am not ready to vote a want of confidence in the government at the present time.

Mr. GRAHAM: That sounds reasonable.

Mr. STEVENS: That brings a smile to the face of the Acting Finance Minister.

Mr. WARNER: I am absolutely conscientious when I say this.

Sir HENRY DRAYTON: Could you not do better?

Mr. WARNER: I feel that it would be no benefit to us to defeat the government at the present time. We have their promise that they are going to lower the tariff to a greater extent than any other government has done in Canada.

Mr. STEVENS: Hear, hear.

Mr. WARNER: This is along the line that I would like to see action taken.

Sir HENRY DRAYTON: Lower the duty on what?

Mr. WARNER: I do not care to discuss that question now offhand. I think the hon. gentleman knows better than I do just what is involved. I repeat that I am not ready to give a vote of want of confidence in the government just for the sake of putting them out. Of course it will not be done; I know that amendment cannot carry, still if I am honest and vote according to my conscience, as I try to do, I would want that to carry; but if I voted for it that would mean that I wish the government to be put out of business, if I understand it rightly. Now, I am not ready to put them out of business, because I want to hold them to their promises in tariff reductions with a chance to see results. That is the point—we want results, results in the form of legislation that will give greater freedom for development to the basic industries of this country, and we will join our efforts with those of any other hon. members of this House who are ready to work with us on that line.

[Mr. Warner.]

On motion of Mr. LeSueur, the debate was adjourned.

On motion of Mr. Graham, the House adjourned at 10.59 p.m.

Friday, May 2, 1924

The House met at three o'clock.

BANKING AND COMMERCE

Mr. W. G. MITCHELL (St. Antoine) presented the first report of the select standing committee on Banking and Commerce.

PRINTING OF PARLIAMENT

Mr. C. A. GAUVREAU (Temiscouata): Mr. Speaker, I move, seconded by Mr. Marcile (Bagot):

That the first report of the joint committee of both Houses on the Printing of Parliament as appearing on page 204 of the Votes and Proceedings of this House be amended by inserting Nos. 35, 36a, 37 and 37a under clause 1 which enumerates the documents to be printed, and that the report as so amended do pass.

Mr. SPEAKER: I must advise the hon. member that the motion as worded is out of order. The report ought to be referred back to the committee, and be there amended.

Mr. GAUVREAU: Mr. Speaker, those numbers were approved by the committee, but through an oversight they were not included in the report made yesterday.

Mr. SPEAKER: I understand there is an error. These numbers are already contained in the report.

Mr. GAUVREAU: Mr. Speaker, the documents enumerated were printed during the recess at the request of the Prime Minister. When the committee sat the other day it approved of this printing, and the report should have contained a list of the documents, but this was forgotten at the time and the report appeared without the particulars which are contained in the proposed amendment.

Mr. SPEAKER: The committee on Printing is a joint committee of the Senate and of the House of Commons. Do I understand that the insertion of these numbers was agreed upon by the joint committee?

Mr. GAUVREAU: Yes, Sir, and an order was given to Senator Smeaton White, joint chairman, to take the same course in the Senate.

Mr. SPEAKER: Under the circumstances, I think the House might agree to the motion. Is it the pleasure of the House to adopt the motion?

Motion agreed to.

UNITED CHURCH OF CANADA

Mr. R. F. PRESTON (Lanark) : Mr. Speaker, I beg to present a petition from St. Andrew's and Knox congregations, Perth, against the Church Union bill.

Mr. H. A. STEWART (Leeds): Mr. Speaker, I wish to present petitions on behalf of the Presbyterian church of Westport, and the Presbyterian church of Newboro, against the Church Union bill.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, I desire to present a petition in favour of the Church Union bill from the church at Nesbitt, Manitoba, signed by 133 members. I may say this is a Union church, although it has been denied that there is any such institution.

Mr. L. H. JELLIFF (Lethbridge): Mr. Speaker, I desire to present a petition against the Church Union bill signed by 89 members of Knox Presbyterian church, Lethbridge.

HOME BANK

Mr. J. J. THURSTON (Victoria, Ont.):Mr. Speaker, I beg to present a petition signed by 879 citizens of the county of Victoria, province of Ontario, asking that the depositors of the Home Bank be reimbursed.

Mr. GRAHAM: They seem to be united in that.

ALBERTA MINERAL TAX ACT

Hon. ERNEST LAPOINTE (Minister of Justice): I beg to lay on the Table of the House documents and papers with respect to the disallowance of the Mineral Tax Act passed by the Alberta legislature.

INQUIRY FOR RETURNS

CANADIAN NATIONAL RAILWAYS—APPOINTMENTS—HON. MR. MACDONALD AND FREIGHT RATES

On the Orders of the Day:

Sir HENRY DRAYTON (West York): I desire to call the government's attention to an order passed on 24th March, for papers in connection with appointments on the Canadian National Railway, an order which has been standing ever since; also to an order which has been standing since the 26th of March, calling for the return of papers, et cetera, forming the basis of or justification for the statements of Hon. E. M. Macdonald in North Sydney on the 28th of July, 1923, in which assurance was given of certain reductions of freight rates, and so on. I would ask the government when we may look for these returns.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I will look into the one concerning the railway matter—

Sir HENRY DRAYTON: They are both railways.

Mr. GRAHAM: As to the other one, I will bring it to the attention of the minister concerned.

THE BUDGET

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

The House resumed from Thursday, May 1, the debate on 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 Mr. Woodsworth.

Mr. R. V. LeSUEUR (West Lambton): Mr. Speaker, our discussions of the national budget sometimes, perhaps too often, entail comments and criticisms, which at times become rather severe, but in all cases the Acting Minister of Finance (Mr. Robb) should know that the arduousness of his task, the weight of the burden and the difficulty involved in the duties of his office, are fully and constantly appreciated by this House. This year the budget aroused unusual interest, both in this chamber and out of it, and upon that the Acting Minister of Finance is to be congratulated. Within the House it commanded that respect which the most important financial statement of the

year merits; in the country it has drawn to itself an unusually alert attention. There, it is every day becoming more generally recognized that this budget inaugurates a new policy on the part of the government, inaugurates a departure from this policy of tariff stability announced by the Minister of Finance (Mr. Fielding) last year, and that a responsible minister of the Crown has openly announced that he hopes this budget will prove the death knell of protection. If I rightly interpret the sentiment expressed in a number of orations made by hon. members to my left, they appear to have reason to hope that the changes and alterations in the tariff are not at an end, but that they will continue from year to year during the life of this parliament. The suddenness and the radical nature of this change on the part of the government are, I believe, causing widespread uncertainty as to whether the future actions of this government will not be largely influenced, perhaps dominated by, the tenets and dictates of the Progressive party rather than by the old-time principles of Laurier-Fielding Liberalism. Such a budget, Sir, should have a careful analysis in the light of present-day conditions. That analysis, I submit, should not be confined to conditions as they exist within Canada, but should include also a review of world conditions. We do not live unto ourselves alone, and a reasonably accurate knowledge of conditions both within and without Canada and of the general trend of industrial world events is essential to a correct estimate of the changes proposed in the tariff.

Turning to the budget itself and examining it, we find that the Acting Minister of Finance has arranged it in three main divisions. In the first division he discusses the financial condition of Canada; in the second he outlines Canada's trade position as evidenced by her foreign trade; and then, proceeding, I assume, on the conclusions arrived at in these two divisions, he comes to the third division, which deals with the changes he proposes in our tariff policy. I will endeavour in my remarks to adhere more or less to this order.

The first division, namely, that relating to Canada's financial position, has already been fairly well discussed and I will but briefly comment on it in passing. The Acting Minister of Finance pointed out that we have, for the fiscal year ending March 31, 1924, an estimated surplus out of ordinary revenue of approximately $20,800,000, and that this, together with an income from other sources of about $9,600,000, will give us a total of some $30,400,000 to be applied in the reduction of the national debt. The budget also points out, however, that the loan of $50,000,000, made on behalf of the Canadian National Railways and guaranteed by the government, has been so treated as not to affect or influence this result. It has already been pointed out in this discussion that, according to the system of bookkeeping in vogue prior to this year, that loan would be considered as part of our national debt and as a national obligation. But whether we accept the system of bookkeeping adopted this year or adhere to the system in vogue hitherto, is more or less a matter of accounting and does not alter the facts—and it is a fact,—that the Canadian National Railways could not, apart from the government, have secured a loan of $50,000,000 on reasonably good terms, possibly not at all, and that the investors who made that loan looked to the government of this Dominion and not to the Canadian National Railways for the repayment of their interest and principal. It is also a matter of common knowledge that the Canadian National Railways are to-day much over-capitalized, that their physical value is much less than their book value as carried on the ledgers of this government, and it would be a delusion and a snare to increase that book value, already too high. Whether we treat that money as being turned into capital, or into maintenance, or into deficit, it is as a matter of fact being handed over to a railroad already too highly capitalized which cannot pay the interest on the debts already incurred and which cannot for many years, possibly not during our life time, be in a position to have its assets offset it liabilities. In short, the asset, if any, which we acquire is certainly non-active, while the obligation assumed is most distinctly and strikingly active, as will be proved every interest day. Therefore, the only safe and sound course is to acknowledge that, so far as the investors are concerned and so far as we are concerned, we have assumed an obligation of $50,000,000 which cannot be eliminated by any process of bookkeeping or be altered by placing it, as it were, in suspense account as an indirect liability. Of course, the amount of money which still remains in the hands of the government from that loan is an asset. Then, considering this loan as a national obligation, and endeavouring to keep ourselves as close to the facts as we can, I ask, do we realize that Canada has since March 31, 1921, added to its national debt by the sum of approximately $118,000,000, while the country to the south of us has in the same period wiped out and eliminated from its debt $1,860,000,000?

Great Britain in the same period has likewise eliminated from her debt a very considerable sum—I see by their recent budget, this totals £960,000,000 since 1918.

Now, turning to the second division of the budget speech, namely, that relating to Canadian trade, we find it there set out that Canada's commodity trade balance has advanced from an adverse balance in 1914 and in 1921 to a favourable trade balance of approximately $160,000,000 for last year. This result is most gratifying to all Canadians, but it would be neither wise nor businesslike on our part to jump to the too hasty conclusion that therefore Canada is enjoying a period of prosperity; and, whether or not the Acting Minister of Finance (Mr. Robb) intended this inference to be drawn, several speakers who have followed him in this debate do appear to have drawn that conclusion. It is most important in my opinion that this House, as a deliberative body, considering the fiscal policy for this country should have as accurate a knowledge of conditions both within and without Canada as is possible, in order to enable them to properly estimate the changes proposed. The facilities for gathering data, and the science of gauging a nation's actual trade condition, have advanced wonderfully in the last few years. It is to-day fairly well recognized that the commodity trade balance of a nation is neither a true nor yet the best criterion of her condition. Such a trade balance does not take into consideration either the invisible exports or imports or the internal trade of a country. A much truer gauge to-day is the total physical volume and value of a nation's production; but perhaps the most accurate gauge is to be obtained by looking at several phases of national life. The soundness of this contention is easily demonstrated by facts—or perhaps it would be more proper to say, the lack of soundness in the first contention. The United States in 1921, a year of great depression, had a favourable trade balance of approximately $1,900,000,000. In 1923, a year of marked prosperity as compared with 1921, that trade balance had fallen to $376,000,000 or approximately a drop of 80 per cent. If we look at Canada, I believe the same result is demonstrated. Our trade balance this year if it were a true criterion, would indicate a condition of marked prosperity, and yet the statesmen who told our farmers or our merchants, or our manufacturers or our workmen, that we were to-day enjoying great prosperity would be laughed to scorn. Now in following up this subject I wish to take a look at the industrial trend of conditions in the principal countries of the world, Great Britain, France and the United States, and I think a good point of commencement is to be found in 1921, the year of that marked depression which gripped every industrial nation of the world from the most southerly to the most northerly, and from that low point we have a gradual improvement during 1922 and 1923 up to the present time.

Turning to the United States, what conditions do we find there? In 1921 the United States felt that depression most severely. There were between three and four million men out of employment. Industrial life in almost every line was at its lowest ebb, and in addition to that, European conditions were bad. The European trade machine was disrupted and unbalanced. In Europe the standard of wages and of living was receding rapidly and unevenly, exchange was fluctuating wildly and currencies were depreciating. In the face of those conditions the United States adopted the policy of protecting her own industrial life and her own trade machine. In May, 1921, she adopted the emergency tariff, and in November of the same year brought in the Fordney tariff. She re-established the activities of her War Finance Corporation to assist her cotton growers, her grain producers and her live stock raisers, and she raised the restrictions on immigration. The trend of industrial life since that time speaks for itself. What do we find happening in the United States? The Department of Commerce reports and the reports of the Federal Reserve Board, which are now very complete and very accurate, show that since 1921 mineral production in the United States has increased by over 40 per cent, industrial production by over 50 per cent; the movement of live stock to primary markets has increased by over 20 per cent; the movement of fruits and vegetables to primary markets has increased by about 25 and 5 per cent respectively. On the other hand, the movement of grain to primary markets has decreased by about 12 per cent—for reasons which I hope to discuss later. The retail trade and the trade of departmental stores in the United States has shown a similar increase and in some lines that increase has been equal to about 50 per cent. Their bank clearings have increased by about $3,500,000,000; their bank deposits have increased by approximately $1,000,000,000, and their bank commercial loans by over $500,000,000. As to unemployment, that has practically ceased to exist in the United States, and they are now giving employment to considerable foreign labour, which of course includes Canadian workmen.

In short, without taking up unnecessarily the time of the House, let us say that the United States appears to have adopted adequate remedies suited to her industrial life, for the protection of her industrial machine against the destructive attack of the unbalanced European trade machine and that her rapid recovery has been the result; and her reward is a most rapid and startling recovery.

Now, let us look at France for a moment. In 1921 France felt severely the same depression, and apparently adopted the same means for the protection of her industrial life. On March 28, 1921 she raised her tariff to possibly the highest point in its history. Owing to the publicity given to the troubles of French government finance, it is perhaps a general feeling that like conditions prevail in private industry and that there conditions are also unfavourable. Such is not the case. If we look at the trade reports of our own commissioner, the trade reports from Washington, and such other trade reports as are available, we find the actual facts. France commenced to recover and she has continued to recover until to-day her iron and steel industries, her coal mines, and her silk, textile and woollen manufactures, her agricultural and her general industrial life, are enjoying a period of very great and very marked prosperity. Her bank clearings have pretty nearly doubled, not quite. Her bank deposits and her commercial loans, which show the activity of business, have increased by about two and a half billion francs each from the end of 1921 to the beginning of 1924. Unemployment in France is unknown. The latest report we have is for January, 1924, and that shows only 596 men unemployed in Paris. Other reports show that France has been importing foreign labour to meet the labour demands within her boundaries. As to the condition of France to-day I do not know of any more complete conclusion than to read the report of our trade commissioner written in January of this year. He says:

> To sum up, France's balance sheet for 1923 shows a stabilized budget, reduced expenses, the development of fiscal resources and the extension of foreign trade.

Now, let us look at Great Britain for a few minutes. Great Britain likewise suffered from a very severe depression in 1921. Great Britain adopted certain partial and limited means to protect her industries during that depression, and I am glad to say she has made a certain amount of recovery. She has reduced her unemployment very considerably, but there are still about 1,250,000 men out of work in Great Britain. Her bank clearings between January, 1922 and January, 1924, have increased by about £70,000,000; but her bank deposits and her commercial bank loans have decreased by about £150,000,000 and £140,000,000 respectively. Her freight—that is the freight carried by her railways—has shown a substantial increase. Her iron and steel industries have advanced, but generally her other industries are considerably below normal. Her industries are, speaking as a general rule, much stronger financially, have much wider trade connections, and greater world banking facilities than the industries of almost any other country but in spite of these advantages, we must admit, from a general view of the trend in England, that the recovery of her industry has been slow, arduous and irregular, and that it is still far from complete. To be fair we must admit that a considerable amount of this has been due to strikes and labour troubles; but if we take our own trade commissioner's report we find that his view is even more pessimistic. His report likewise for January, 1924, and his general summary of British trade is that while it is to be hoped that the bottom has been reached, the immediate outlook seems somewhat uncertain. I think, perhaps, he is a trifle too pessimistic. But from the general view of affairs in England we may be certain that she is making a hard struggle; that while her comeback is slow and irregular, we believe the advance she is making is solid and finally she will pull herself through without doubt.

Now let us look at Canada and see if we can get a fairly accurate estimate of our trade condition, of just how we stand in our trade situation. Canada in 1921 suffered the same general depression and it was fairly severe. She, of course, was then under a moderate protective tariff which, while it may have been changed slightly by way of reduction has practically remained the same. We find that in 1921, the net value of Canada's total production was $2,728,000,000 while the net value of her total production for the year 1922, was about $2,740,000,000, an increase of somewhat under one per cent. The returns for the year 1923, are not yet completed but such returns as are available lead us to believe that we shall enjoy another slight increase. As to her industries, a grouping of her main manufacturing industries and a canvass of their operations show there has been practically no advance in earnings since 1921—the earnings remain practically

the same. But in certain lines of industry, in our mineral production and in our iron and steel works, advances and recoveries are being made. With regard to our departmental and retail stores it is very difficult to arrive at an accurate conclusion, but so far as we have been able to investigate they are still suffering from considerable depression, and a great many retail stores are barely meeting current expenses. I believe there is plenty of liquid capital in Canada. This was evidenced by the ease and rapidity with which the Dominion loan of $200,000,000 and the Ontario loan of nearly $40,000,000 were absorbed in rapid succession; but the fact remains that so far as industrial development is concerned Canadian capital to-day is more or less frozen. In regard to our railway loadings from points within Canada these have shown a gratifying increase. Our bank clearings have shown between November, 1921, and November, 1923, an increase of about $200,000,000; but our bank deposits have shown a decrease of about $60,000,000, and our bank commercial loans a decrease of about $150,000,000;—I take the corresponding months on account of the seasonal variations which occur in trade. As to unemployment, our number of unemployed since 1921 has materially decreased, but the report for January of this year, the percentage being based upon January of 1920, shows an unemployment in Canada amounting to 7.2 per cent, and that despite the fact of the large number of unemployed who have gone to the United States. Now, much as I should like to report a favourable condition in Canada and a complete recovery and restored prosperity, still, in the face of these facts, and in the face of the fact that our farmers are still despondent, that our workmen are still leaving the country, that our capital is still chary about making any more industrial commitments than are absolutely necessary, we must be frank with ourselves and admit that, while Canada has recovered to some extent, at the same time that recovery has been slow and only partial, and in fact our trade is still below normal.

So far as the trend of conditions in all these four countries is concerned, as well as with regard to the degree of their respective recoveries I think it would serve but little purpose for me to discuss the theory of the situation. The facts, I propose to leave with this House, and I believe they are reasonably accurate and as close to the actual conditions as they can be obtained. I am convinced that anyone who judges these facts with a broad view and without preconceived prejudices, must admit that the tariff policies of these countries have had at least some influence, and I believe a substantial influence, on the rapidity and the degree of recovery which has been experienced in them. The Acting Minister of Finance (Mr. Robb) prefaced his remarks, which explained the proposed tariff changes, by setting forth the trade condition of Canada so far as evidenced by our external business. I believe that was a sound way of approaching a consideration of the tariff changes; but I submit that it should have gone much further and should not only have taken into consideration, or tried to arrive at, the actual trade conditions of Canada, but should have taken into account also the world trend of events, the actual happenings of industrial life in these nations from 1921 to the present time. In my opinion, if this House will judge the industrial conditions of these countries fairly, and will give a certain weight of consideration to the tariff policies under which their respective returns to prosperity have been brought about. we shall be much more chary of making reductions in the tariff or attempting changes which may impair our industrial life than we ordinarily are.

Let me turn for a few minutes to some of these fiscal changes as proposed by the Acting Minister of Finance. To judge the proposal one must first diagnose the malady, and I think we will all admit that the greatest of our present ills is the one now being experienced by the agricultural industry of Canada. I am going to attempt the perhaps too-ambitious task of analysing that condition, and may venture some suggestions but in doing so, I do not want to be considered as forcing advice upon my friends to the left, and such analysis as I may make is offered not as infallible but as an honest endeavour to arrive at the essentials of the situation. Let me preface my remarks in this connection by saying that I fully appreciate the tremendous importance and the basic nature of our agricultural industry, that I have the fullest sympathy with it, and that I quite realize that its prosperity is of vital importance to Canada as a whole. Now, what are the real causes of our farmers' unfortunate plight? In the first place, we should bear in mind that of all our raw materials, wheat is possibly one of the most internationalized and most subject to foreign conditions. Needless to say, there exists a condition of over-production; and let us remember that wheat is produced but once a year and is subject to weather conditions, so that the farmer cannot as promptly adjust himself to conditions as can

the manufacturer or certain producers of other raw material. We must furthermore keep in mind the fact that, as a general rule, and in the absence of abnormal influences, the curtailment or the increase of the total wheat crop is gradual and extends over a number of years. As to the degree of over-production which exists to-day, the figures given in the Book of International Statistics published at Rome show that during the years between 1909 and 1914 the average world production of wheat, exclusive of Russia, was about three billion bushels, which we may take as a normal figure for normal times. On the other hand, in 1921 and 1922, which were abnormal years, we find that production increased to about 3,116,000,000 and 3,120,000,000 bushels respectively. The biggest consumer of our wheat is Europe, and Europe to-day is below normal, is more or less impoverished. It is estimated that her consumption of wheat and rye, from both domestic and foreign sources, is about 20 per cent below normal. Thus we have a condition in which the supply is above normal and the demand below normal; we have a condition of over-production with all its attendant hardships. But that is only one factor and I believe there exist two other important factors coincident, so far as time is concerned, with this situation and seriously affecting our agriculture. The first of these is a world-wide tendency towards falling prices; and it is a general rule, almost a natural law that just as the price of raw material rises more rapidly than that of the manufactured article, so on the other hand the price of the raw material drops more quickly than that of the manufactured article. This is very well illustrated in the case of wheat, flour and bread. If we look at an imaginary chart, we find that the price of wheat rose in a very irregular line to its peak and that the price of flour followed in a more gradual curve behind the price of wheat until it reached its peak; and then, on the reverse side of the curve, that the fall of wheat came first and in an irregular curve, and flour followed. We find that the price of bread on the other hand followed the course of flour, rose in a jerky line until it reached its peak, and that then it again followed flour in its descent to the normal level. The fact is that, under normal conditions, and without other adverse conditions, the price of wheat would naturally fall to its normal level before the price of the manufactured article would.

In addition, I believe there is another factor which is affecting our western farmer. We have had a most tremendous expansion as regards our wheat, both in the acreage sown and in the quantity grown. Under the influence of rising prices and patriotic appeals, our acreage has increased from about 11,000,000 acres in 1913 to about 23,000,000 acres in 1921, 1922 and 1923. It is approximately at that figure to-day. Our wheat production has increased from about 231,000,000 bushels in 1913 to approximately 470,000,000 last year. Such a tremendous expansion in short periods of time is, in nearly all cases, and has been, I believe, in our case, built largely on credit. The credit granted has been very great and the expansion has been very great. The result is that our western agricultural industry is spread out very thin. This alone is a condition which might prove very hazardous; but when there is added to it simultaneously the condition of over-production with its attendant hardships and the hardships which attach to a period of falling prices, then we realize to some extent the actual fight which our western farmer has to face and the real problems to be solved. For the agriculturist, struggling as he is in the grip of economic over-expansion and buffeted about by great and inscrutable world forces of over-production and falling world prices, the remedy is proposed of reducing the tariff on agricultural implements, a remedy which, at its most optimistic view, as I understand the matter, can mean nothing more than a saving of ten or fifteen dollars a year to the average farmer, a remedy which carries with it the joker of injuring his home market by possibly destroying or greatly imperilling a great industry, that is taking the budget at its face value, and the remedy proposed is so insignificant and imaginary—if it is a remedy at all, compared with the giant forces from which we are suffering—that it appears trivial and not worthy of consideration. It is like sending a tin fish against the torrent of Niagara.

4 p.m.

If we go beyond and do not accept the budget as it stands, but look behind the scene at the new regulation which has recently been issued altering the previous regulation of the dumping clause or special duty, then we find that even that amount of remedy has possibly been removed. The situation as regards the dumping clause is, I believe, clear, and I do not know that any purpose will be served by my going into it. I might, however, just say, in reiterating something which has been said in prior speeches, that for some years past there has been in force a regulation whereby, if the difference between the price paid by the Canadian importer and the price which the same article

has as a fair market value in its place of origin is no greater than 5 per cent, then the dumping duty did not apply. The new regulation, however, issued on April 8, 1924, two days before the budget was delivered, repeals that special clause as to the 5 per cent, and now any machinery or other article coming in would pay full dumping duty. That would mean, as I understand the matter, that if an article is selling in the United States at $100 and the price quoted to the Canadian importer is $95, then under the old system there would be no dumping duty added, but the duty of 10 per cent would be added to that $95 making the price $104.50. Under the present tariff and the new regulation the dumping duty of $5 would be added, and in addition to that a tariff of 6 per cent on the $95, making the price $105.70 to the importer to-day as against the $104.50 before. I am not quarrelling with the protection to our industrial industries; I believe our industrial industries demand an adequate protection; but if the above is the situation, then the government is offering no remedy for our agricultural situation.

Mr. GARLAND (Bow River): Will the hon. gentleman admit that the removal of that 5 per cent margin in the dumping clause has really had the effect of increasing the incidence of protection all round? I think that was the hon. gentleman's argument and I want to get it clear.

Mr. LeSUEUR: I believe it has increased protection on agricultural implements.

Mr. SPEAKMAN: In that case would the hon. gentleman consider that the agricultural implement industry has been hurt at all by these changes?

Mr. LeSUEUR: I have explained that I am in favour of the protection of the agricultural implement industry and of all our industries, as I will indicate further on, but I say that under those conditions no remedy is offered either in the budget or in any other action by the government for our western ill.

I will proceed to some suggestions as to our agricultural situation. Are there any real remedies for that ill? Is there anything that we can do to help our agricultural industry in western Canada? If the report of the Dawes commission or some other satisfactory solution is adopted in Europe and Europe recovers, then I think we shall have some benefit from that source, but we must remember that Russia will be again entering the export market, and that the recent agrarian reforms in central Europe are to-day having their effect by way of increased crops, and therefore that we have to face a protracted period in which production will continue to exceed demand.

Under these circumstances, what remedies can we adopt to help our Canadian West? Let me touch first on the foreign market. As I have said, the present situation of overproduction will probably continue for some time. But we have, I believe, a virtual monopoly on one thing and that is on the quality of exported wheat. It is admitted that owing to climatic and soil conditions our wheat contains a larger percentage of gluten than other exported wheats, and therefore it is mixed with soft wheats for maintaining the uniformity and standard of the best flours. Practically all other exported wheats to-day are soft wheats. In Europe it is a well recognized fact that the peculiar quality of our flour is an essential element in the blending necessary for the best standard of flour. In the United States it is also a well recognized fact that this inherent quality is what enables our wheat to jump over any tariff barriers which the United States may erect. Our wheat overcomes the handicap of tariff barriers and finds a firm market in the United States. Now, hardly a bushel of our wheat goes to Central and South America. Those countries to-day have a population of about 90,000,000 people, they can be reached by an all-water route from Vancouver, they are prosperous and can pay for our wheat; they import annually from forty-three to forty-five million bushels of wheat and about twenty million bushels of wheat flour. Their bread is generally of poor quality, and they are anxious to improve it. Therefore I feel satisfied that if we organize and push this business vigourously we can find a market there for at least fifteen million bushels of our wheat every year by reason of its superior quality alone, and a market for at least seven or eight million barrels of our flour, also on the ground of superior quality. The same remark applies more or less to Asia. To-day Asia is importing about thirty-two million bushels of wheat and about seventeen and a half million bushels of wheat flour, of which we are supplying a very small precentage. We have the quality to recommend our wheat and flour, and we should make the most of that weapon supplied by nature in developing a firm and secure market for these commodities. There is no reason why we should not get our trade commissioners in South America busy on this project and so establish a firm and growing

market. It can be done. We might enlist the services of some of our brilliant journalists for the necessary propaganda. And it is generally recognized by industrialists that if you have quality in your goods the marketing of them is only a question of efficient organization. Therefore I would suggest that the development of these new markets be pressed vigourously and sedulously. Let us spend some money for the purpose and forget the completion of the parliament tower for a few years. Of course, we must maintain the quality of our wheat and flour, and I understand that our western provinces are taking steps to this end by encouraging the use of good seed and the adoption of crop rotation, and other similar measures.

As to the home market, let us consider what our attitude should be. In the first place, this is a sure market, or at least, it can be made so, for our agricultural industry. It is also our most important market, as can be demonstrated by figures. We find according to the Bureau of Statistics that in 1919 Canada produced 193,260,000 bushels of wheat, of which she exported 78,000,000 bushels and absorbed at home approximately 115,300,000 bushels, or nearly 59 per cent. In 1920 Canada produced 263,200,000 bushels, of which she exported 129,215,000 bushels, and absorbed at home about 134,000,000 bushels, or approximately 51 per cent. In 1921 Canada produced about 300,000,000 bushels, of which she exported about 136,000,000 bushels, and absorbed at home approximately 163,000,000 bushels, or about 54 per cent In 1922 Canada produced 399,000,000 bushels. of which she exported 215,000,000 bushels and absorbed at home 184,000,000 bushels, or about 46½ per cent. I have burdened the House with these figures simply to show clearly the importance of the home market.

Mr. McCONICA: Does not the hon. member include in his statement of wheat consumed at home the amount that was ground into flour and exported?

Mr. LeSUEUR: I include everything that was used at home.

Mr. McCONICA: So it was not consumed at home.

Mr. LeSUEUR: I include, absorbed by the manufacturing industries.

Mr. McCONICA: Absorbed by the grinding mills?

Mr. LeSUEUR: Absorbed in any way at all.

Mr. SPENCER: Will the hon. gentleman give the House the amount of flour exported?

[Mr. LeSueur.]

Mr. LeSUEUR: I could by looking up the figures, but I have not them at hand. The amount can be easily ascertained by reference to the statistics. I am pointing out the amount of wheat that is taken care of in the home market. It may be eaten, used in the mills, or disposed of otherwise, but the home market takes care of it. I emphasize the fact that the home market absorbs more of our wheat than any other market—more even than the British market absorbs. In this case the home market is first in order and paramount in importance, as it usually is. I feel that any remedy to be a real remedy for our agricultural situation must recognize the fact that the basic unit of our civilization is the nation, must recognize that the integrity of our industrial life must be protected, and the growth of our domestic markets and our internal trade encouraged. In my opinion the present budget does not carry out those conditions. It appears, to say the least, to trifle with the life of the great industries of our country; it appears to extend the black hand of uncertainty toward the throat of a great many of our industrial concerns. That is a most unfortunate and a most unhappy condition, because it stagnates progress and certainly injures our home market.

In connection with our foreign exports especially our exports to South and Central America or other points through Vancouver, I wish to say one or two words on the question of freight rates. I have heard it stated that the regulation of freight rates is an inexact science, and I have no wish to take it out of the hands of those who know something about it. But there is a persistent and constant claim that the rates from Edmonton to Vancouver are out of proportion to the operating costs on that line and out of proportion to the freight rates to the east. As to that, I believe we have a special tribunal which is fitted to investigate, a tribunal which has had experience in railway matters. It has attached to it a body of experts, and there is no reason why the government could not refer the matter to them and get a report setting forth the facts, the decision arrived at and the reasons therefor which might form the basis for any proposed action looking to a change in these conditions. I think that should be done at once; we should get an immediate report on the subject. If these rates can be reduced so that the Edmonton section can get their wheat to Vancouver more cheaply, and thence to the south and other points, it will mean a great relief to

a large section of our western farmers and help all parts of the West.

All these suggestions have more or less the object of helping the farmer to help himself. I believe the farmer has to keep his home market; economically his basic unit should be the nation; our internal trade should be built up and protected. One remedy for some of his difficulties should be found in an energetic propaganda to bring before the southern countries the quality of his wheat, particularly in those sections where the value of the Canadian farmer's product is not known and appreciated, and where the people are looking for and would welcome better wheat, better flour and better bread.

Following out that idea of helping the farmer to help himself, I have always heard since my early days that the farmer was the most independent of men, that he controlled his own livelihood, that his living depended on no other man. If that is not the condition in western Canada to-day, I ask, is there not some feasible scheme whereby it can be made so? Is it not possible to have some co-operation between federal and provincial governments whereby the farmer will be made more or less self-sustaining and thus be able to overcome his present difficulties? Can he not be enabled to produce his own butter, his own eggs, his own meat? It may not be a very high ambition, but it would be sufficient to carry him over the present crisis. My understanding of the situation may be wrong, but we do co-operate in road-building and in many other things; why not co-operate in that? Another question that might be asked is this: How far can the government co-operate in enabling some of the western farmers to shift their crop from wheat to some other line?

Mr. SPENCER: May I ask the hon. member a question? Can he give the House any information with regard to the percentage of the farmers in western Canada who, he believes, do not raise their own poultry and produce their own dairy products?

Mr. LeSUEUR: No, I could not give the percentage. I do not know where that information could be obtained. But I will proceed with the point I was going to make, namely, whether or not the farmers could shift their wheat production to some other production. I read recently a report of the Department of Agriculture of Washington setting forth the results of the efforts of the United States government in some 302 counties to bring about a shifting from wheat production to the growing of alfalfa, the raising of poultry, dairying, and so on, and that report showed that good progress had been made in that direction. Is it feasible to arrange for some co-operation in that respect between our governments with a view to meeting the present situation?

Mr. FORKE: I would like to ask the hon. member a question—and I appreciate the spirit of his address. Does he take into consideration the great difference between the conditions in the United States, with 110,000,000 consuming people, and those in Canada, with a tremendous producing population and a small consuming public? Does he appreciate how much more difficult the question is to settle in this country?

Mr. LeSUEUR: I do take that into consideration. I appreciate it and I am trying to offer some solution that will be a step toward relieving that condition. With regard to the present position of agriculture, I would just like to cite the situation which existed in the southern states. It may not be exactly applicable, but it was more or less along the same line. It was about 1830 or 1835, that the cotton producers in the southern states were experiencing a crisis of low prices and overproduction. At that time the Democratic party thought it would be in the interests of that community that they should buy their implements in the cheapest market and sell their cotton abroad, that they should have free trade or low tariffs. A compromise as to tariff was arrived at and the arrangement prevailed for some eight or ten years. Those years were not years of prosperity. War followed in Europe and there was some prosperity, but shortly after that a protective tariff was adopted in the States and has been followed fairly consistently ever since. To-day the United States is producing about 12,500,000 bales of cotton. Of that amount about 6,000,000 bales are manufactured in the United States, about 4,000,000 of which are manufactured in the southern cotton states. That is just an example which I leave with the House.

In summing up as to this topic, I must admit that I have occupied considerable time and attempted a very ambitious task. I thank the hon. members to my left for their kindly reception of my effort. An analysis of the western situation shows that the condition there is due to this series of causes: Over-production, falling prices and over-ex pansion. I believe further if we are going to look for remedy, real and permanent, we have to look directly and hit directly at those causes, and I would like to reiterate, that the very nature of those causes and the very

nature of these remedies must impress upon us that our basic unit must be the nation, that those ills in the West will be best combatted and overcome eventually by the co-operation and help of our united industrial life, and that the one essential we must keep in mind in our consideration of this subject is the integrity of our complete industrial life. Now let us look for a short time at some of the points in connection with our tariff.

Mr. FANSHER: The hon. member has argued that production of wheat should be decreased in the West and that the western farmer should enter mixed farming. Is he of the opinion that the farmers of Ontario and in the East who have largely ceased growing wheat and entered into mixed farming are to-day in a greater condition of prosperity than the farmers in the West?

Mr. LeSUEUR: I think it would be useless to draw a comparison as to degree, as to whether the farmer of the West is in a worse condition than the farmer of the East, but I would say that the whole agricultural situation of our country needs help in every possible way, and that if you help one section you help the other. As to shifting from the growing of wheat to other lines of farming in the West, I do not suggest that that should be done in a wholesale way, but it should be done simply so far as it can be carried out or needs to be carried out to meet the western situation. There should not be an extensive shifting. An extensive shifting would be impossible. It is only as a minor factor I am speaking of it.

Now, turning to a few points in connection with the tariff, let me say that I feel convinced that a great many of our divergencies of opinion are due to differences in our conclusions as to what the facts are, and if we could come more nearly together on what the actual facts are I think our theories would much more nearly coincide. I am firmly convinced that, so far as present world conditions are concerned, an adequate protective tariff is essential to the growth of a diversified industrial life for our country and for the production of that distinct type of manhood which Canada can produce and should have. I do not favour a tariff which allows any manufacturer to make excessive profits; and I believe that the rate of tariff is something which must be determined by the conditions in each particular case, and having regard to the national needs. Now it is almost impossible for any member of this House or for any minister of the government to determine what rate of tariff should prevail in any one particular industry, without being in constant and close touch with that industry both at home and abroad. Half knowledge is, of course, dangerous, and I believe that this country would be wise to have a tariff commission of a scientific nature to advise as to the regulation of tariff needs. Sir Thomas White, as Minister of Finance, in 1912 brought in a bill which proposed to establish a tariff commission, a commission which would have power to investigate and ascertain costs of production, costs of transportation, costs of material, and inquire into any other matters which pertain to industrial concerns, and that the results of their investigations should be available to the House and to the ministers of the Crown. Such a tariff commission would, I believe, in making one investigation after the other, gradually accumulate and tabulate a series of facts, gather information which would be of vital importance, and would always prove a source of reliable information. If it is true that our differences are to a large extent differences on the facts, and if it is true that suspicions which sometimes arise in the minds of the public are largely due to inability to get at the facts, such a tariff commission would serve a very useful and a beneficial purpose in our national life.

Mr. EULER: Would the hon. member confine the powers of such a tariff board as he speaks of to the making of investigations and giving advice merely, or would he go beyond that? Would their findings have any further purpose than to advise the government?

Mr. LeSUEUR: That, of course, would be a matter for much discussion, but what I have suggested so far is only in the nature of an advisory tariff commission, leaving the responsibility with the ministers of the Crown.

There is one other matter in connection with our tariff which I should like to bring up, and that is in connection with our preference. We give to-day a preference to Great Britain. No person can be more anxious than I am to see our Imperial relations strengthened and grow. The British Empire is to-day a group of free peoples of the same race and the same civilization, and their co-operation and efforts are to-day exercising a very beneficial and a very potent force in the world's advancement. We have a League of Nations, it is true, but I believe that the British Empire is to-day the strongest, the most solid, and the most effective League of Nations which exists in the world, and that in the carrying out of its own interests and its own development it is

advancing the world's best interests. But notwithstanding that, there is no member of this group of free peoples which does not admit the principle that each one of its members has the right and the duty to develop its own resources and its own productivity to the utmost without considering the other; that there will be no quarrel between members of the British Empire in seeing each member develop its own production to the uttermost, and that foreign trade only helps in so far as it is subservient to that idea. In short this would mean: Home trade first; Imperial trade second; and foreign trade third. As to what the policy of the present government is in this matter I am unable to find out; but let me say this: Under our present preferential rates, goods are coming in from Great Britain and are doing serious injury to some of our industrial concerns. If I were asked to give an example of the concerns thus affected I would instance boots and shoes. It is a fact that the agents of several British concerns are visiting various parts of Canada to-day and are selling consignments of boots and shoes to our merchants to the great detriment of our boot and shoe factories. Now, if that injury is due to inefficiency on the part of our boot and shoe manufacturers then the burden must rest on them; but if it is due to differences in cost of production, or differences in wages, or other costs then, I think, our preferential duty should be changed so as to give our manufacturers the proper amount of protection and I doubt very much if the government to-day has the necessary machinery available to determine which of these conditions exist. If so, that is another example where a tariff commission would prove a very efficient and useful body.

Before leaving the question of tariff preferences I might point out that while the home trade should be first, we must not forget that Imperial trade should be second. Thus I view with some regret that the British Chancellor of the Exchequer, in his recent budget, has seen fit to reject the proposals of the Imperial conference and to provide that the McKenna duties which gave the dominions certain preferences should be allowed to lapse. If I understand British politics aright, the policy of the British Labour party has been, and is, more directed to internal and domestic affairs and pays little or no attention to Empire, not, I would say, from a spirit of hostility but from a feeling of more or less indifference to the Empire and this on the ground that the Empire is more or less of a burden and that the principle of Empire is objectionable as implying the oppression of free peoples. But, while I feel that their present pronouncement is in greater or lesser degree due to the policy of "buying in the cheapest market," I feel that world conditions are going to force the abandonment of that policy, in whole or in part by the British government. I also feel and hope that as the present government in its tenure of office comes more into touch with the dominions, and is brought into more direct contact with the feelings of Imperialism and the desire for a close working Imperial trade arrangement we may see a change in its attitude as disclosed by the recent budget.

There is one other point I propose to discuss and that is with regard to our distribution system. I bring this up because I feel that possibly the government may be able to adopt some remedy in regard to it. We hear complaints about the difference between the price paid to the producer and that paid by the consumer, and to avoid properly studying the matter this situation is blamed on the tariff. I had a striking example of this brought to my attention recently. A farmer had several hogs ready for the market. They weighed about 170 pounds apiece, and the most he could get from the Toronto buyer was eight cents per pound. He went to the local butcher who said he could not buy them because he had a market for only a small portion of the animal. The farmer continued looking round and finally sold them to a butcher on the outskirts of the city and obtained, after losing about 35 pounds of weight in dressing the hogs, sixteen cents a pound. By selling the hog locally, instead of to the Toronto buyer he made a gain of $8 per hog. That situation is not, I think, the fault of the central butcher, or of the consumer, or of the producer. The fact is that when the hog is sent to Toronto the meat is cut, trimmed and otherwise decorated. It is then returned in nice shape to the central butcher. The position is that the freight must be paid from the point of sale to the city, then there is the cost of the extra trimming and decorating which the abattoir company makes, and fianlly the cost of freight back. This system has been an insidious growth. I do not know of any one particular branch which is to blame, but this system has grown to such a size that no particular man or group of men can cope with it. However, I believe that a system which is now being used in the United States could be considered by us with profit. They have there what they call the Department of Simplified Practice. The business of that department is to co-

operate in simplifying methods, in cutting out every unnecessary step in the manufacture and production of goods, and in making efficient every stage from the time the article leaves the producer until it reaches the consumer. They frequently call together the principal men in an industry with the object of discussing these matters. Some very remarkable advances have been made in the way of simplifying methods and cutting out unnecessary steps. I see no reason why our government should not adopt a similar plan and put an energetic man in charge. Then if he calls the abattoir men together he would find them most willing to co-operate for I understand they are losing money to-day. If some devices could be arrived at by such meetings for bettering the present situation, and the power of the government were put behind the industrialists to secure results you would undoubtedly get results that could not be achieved if the matter were left solely to the co-operation of those in the trade. I think that might be a very advantageous step. If the government wants to do something of a practical nature and can put some such plan in operation they will remove a terrific weight, indeed one of the heaviest weights, from the backs of the people.

As to the proposed changes affecting steel, and other products, I do not intend to enter into any discussion this afternoon. These matters have already been taken up and dealt with to a greater or a lesser extent and I will not attempt to go into any considerable analysis of them.

Before I conclude, however, I would ask this question: What should the general and proper attitude of this House be towards tariff changes? If we look afield we find that to-day there is a tendency, an ever-increasing tendency among all nations, to produce more than is necessary for their own requirements and to thrust the surplus upon their neighbours; and when we look internally and study our own conditions we find that we have great resources which would make for a great national development. We have the climate, we have the race, we have the mental, moral and physical texture, and we have the educational facilities and other qualifications which should enable us to build up a great and diversified people. In fact, the type of Canadian which this country is producing to-day can be easily distinguished from American or English or French and is a type we may well be proud of. But that there are difficulties we must admit. We have a tremendous area of land and a sparse population scattered along our southern border, but I believe that as our population increases and as northern Ontario develops more, and more, so as to solidify our whole structure, these difficulties will gradually disappear. If we are going to look toward this objective, we should learn what history has to teach us in regard to the development of other nations. History shows us that no nation which has neglected its industrial life or which has been content to be the hewer of wood and the drawer of water for any other nation has ever attained a great development. On the contrary, the growth and power of a nation, the development of its art, of its literature and of its highest civilization and the production of its most advanced manhood, have always followed its great and powerful industrial development. Our objective can never be attained by adopting the policy of "buying in the cheapest market." Our objective should be to make of our nation a genuine household organized to provide a fitting and adequate livelihood for all its members, and governed by an endeavour to establish the rule of a "just profit," a "just price," and a "just wage." This objective, I am thoroughly convinced, can be attained, under present world conditions, only by an adequate protective policy which will guard the integrity of the industrial life of the whole nation; and my view is that that adequate protective tariff could well be regulated and adjusted on the advice of an efficient scientific body. Our immediate aim should be, I think, to eliminate not these principles but the evils which arise in our national life from day to day and to follow the immediately practical step leading towards our objective, refusing to be led astray by the nebulous delusion of the theoretically perfect. This I believe is not the policy of the government; their policy is that this budget should prove the death-knell of protection, a budget which in my opinion does not give a sound view of our financial status and is misleading as to our trade conditions; a budget which inaugurates a policy casting a shadow of uncertainty over our industrial life and trifling with the existence of some of our greatest industrial concerns. So far as this unsatisfactory policy is concerned, so far as its attendant uncertainty is concerned, and so far as the assertion that the budget is to be the death-knell of protection is concerned, I think the government would be well advised if it took to heart the paraphrase of a couplet from Kipling:

> Judgment of nations, Spare us yet
> And please forget—please forget.

Mr. D. A. MACKINNON (Queens): I have listened with a great deal of interest to the speech of the hon. member for West Lambton (Mr. LeSueur), and while I think that we can agree with him in regard to some of the views he has expressed, I do not think that he has given us an adequate explanation of the difficulties under which agriculture is labouring at the present time. These difficulties it is hard to explain; one hon. gentleman offers one explanation, and another gives a different explanation of the causes of the present unfortunate state of agriculture. The fact is that there are a great many causes to which the present situation may be attributed, one of which I think is the fact that the relative prices of things are so uneven; the prices of the products the farmer has to sell are not commensurate with the prices of the things he has to purchase. The two are not compatible. Now, the question that we have to solve is, how we shall alleviate this depression in agriculture. In the United States they proposed to remedy the situation by a different means from the one we have adopted in the present budget; they decided upon protection. The farmers of the United States deemed it wise to have protection because they thought it would solve their problem for them. But the fact is that you will find in the United States to-day that the problem has not been solved and the farmers there are in as difficult a position as they were in before they passed their high tariff protecting their agricultural products from the competition of the world. You will find in New York state, in Minnesota and in other states, that the farmhouses are boarded up just as they are in different parts of Canada. I regret to say that in our own part of the Dominion that condition prevails, and hundreds of farmers have been going to the United States. That is also the case throughout other parts of Canada, and it is due to some condition that is very hard to diagnose. The government has attempted in this way to grant some relief, and I think it is wise to make the attempt at least by reducing the tariff and abolishing the sales tax. The tariff affects our dairying, poultry raising and all the other different branches of farming. It is a wise experiment at any rate, to make this reduction in order to see if it will help the farmers in the business which they are pursuing.

The Acting Minister of Finance (Mr. Robb), in his resolutions, proposes first to extend the British preference to some territories that are under the League of Nations and also to withdraw the preference from some others. I am not going into the particulars of that. His next resolution deals with tea, which will affect households in every part of the country, perhaps in a very small way, but this is a move in the direction of helping households to get through more economically. Other industries that are affected are the fruit growing industry, the poultry industry, the dairy industry. These are industries that we in the East have a good deal to do with, and let us hope that the reductions will be of assistance. I should like to see a little more sportsmanship on the part of those who talk of protection being increased for the benefit of the manufacturers. They realize that the farmers are in this position throughout Canada, and yet I would suggest that they be sportsmen enough to have a unity of feeling with them to help them to get out of that position. It is in the interest of the manufacturers that the farmers should progress, because the farmer cannot buy unless he is able to sell his product at a profit. He cannot let the cream of his work go away to others continually. I am reminded of a little story that I might tell illustrating the struggle that the farmer has. It is an old fable about two frogs going out one morning and falling into a large pan of cream. They struggled for some time and at last one fellow looked at the nature of the liquid and as he could not understand it, he gave up the struggle and dropped to the bottom. The other frog kept struggling along and after a while he found a little lump. He kicked and kicked still more, struggling to get out of that dish, and at last a lump of butter appeared, so he stood on the lump of butter, sprang out, and his life was saved. We need a little of that cream reserved for the farmers so that their lives may be saved. If the cream is going to be taken away from them by the railway freight rates, tariffs and taxes, they cannot make much headway and we want them to succeed.

I wish to refer to the amendment moved by the leader of the Labour party (Mr. Woodsworth). I am in favour of one part of it, that is in regard to the inheritance duty. I think it is the most equitable system of adding to the revenue that the government can adopt, and my reason for saying so is this—and I have studied the philosophy of the matter—that when people accumulate large estates and do so under the legislation that we pass here, it is right, when they pass away, that the country where this money has been earned should in some way receive com-

pensation out of those estates, instead of the money being often carried into foreign countries and expended by heirs or foreigners there. There is also this bit of philosophy about the matter, that while people are living and getting quite wealthy, the tendency to do others from motives of selfishness and greed would have the edge taken off. If it were known by those whose only aim apparently is to make money that there would be this inheritance tax, they would not be so keen and they would live and let live, because that is the struggle between the person who is trying to be a millionaire and the one who is not. While I am in favour of the inheritance tax as a scheme, at present when we are having the government reduce taxes in every other direction and with a very high income tax on those who are earning large incomes, I do not think it would be well to bring that amendment into force, and it should be deferred. I hope that at some future time the Canadian government can see its way clear to impose this tax, because there is no tax that will fall so lightly as a burden upon the people living in this country. Those who are to receive the legacy, supposing it is a $500,000 estate, have not had the enjoyment of the money; it is the parent or uncle or friend who has left it, and it is just as well for them to receive $400,000 or $300,000. Such a legacy is a splendid thing for them to come into; they are not suffering at all, and the man who has gone does not need the money any more. I am pleased the government is doing its part in reducing in some measure the taxes that are working most harshly. We want more capital, more money in circulation, and if the income tax could also be reduced, that would be a great help. Doing away with the sales tax in some cases and reducing it in others will be of great assistance to the country.

As regards the debt of Canada, this is Canada's century, and at the beginning of it the debt was about $265,000,000. Ten years after that the debt was about $340,000,000. In 1921 the debt was over $2,340,000,000, so that we have during the decade a large increase of over $2,000,000,000. Men who are in parliament and who have been studying public affairs have been thinking in millions in our earlier life, and the power and ability of the best men we have is tested when one has to think in billions. I suggested to the Prime Minister a year ago that his Minister of Finance was overworked and that he should take two or three of the most skilled political economists to be found anywhere, put them upon the subject of the public debt and ask them to provide some method of meeting that debt of $2,000,000,000 out of the assets of the country. You may say what you like about this thing or that causing depression in agriculture, but one of the main causes is the public debt. The relationship of prices that I mentioned is another, but that burden of debt has to be met in some way. I think the ablest men who can be secured should be engaged to devote their minds to the subject, and in speaking in this way I am not casting any discredit on the Minister of Finance or the Acting Minister of Finance. They are fully occupied with the administration of their departments, and this is something that should be straightened out by a separate body. Much credit was given by the last speaker to the British government for the steps they have taken to reduce the public debt. I observed about a month ago that Ramsay MacDonald, the Prime Minister, appointed a committee of nine men, outstanding figures in finance, economics, commerce and labour, to go into the question of how best to deal with the public debt of Great Britain. I would suggest that the government appoint a committee of outstanding Canadians to deal with our problem of public debt. For instance, it would be a great relief if we could float a fifty-year loan of one billion dollars at 3 per cent, for our victory bonds at 5 per cent are a heavy national burden and should be redeemed as opportunity offers. I have no doubt the government is struggling with this problem, and I make this suggestion in the hope that it may be of some assistance to them.

5 p.m.

In the Maritime provinces we are also suffering from an exodus of our young people. When the leader of the opposition was down there he described the situation as deplorable. Sir Henry Thornton was also impressed with its gravity, but he acknowledges that he is unable to make out what is the matter with the Maritime provinces. The only remedy so far suggested is that of protection, but Sir Henry thought that a committee should be appointed to investigate the causes of this depopulation and of the lack of progress. I think it would be well for the government to appoint such a committee, because it is a serious menace to our national welfare that so many of our young people migrate to the United States. Of course, some years ago the depopulation was easily accounted for. The West called out to us:

Give me men to match my mountains,
Give me men to match my plains,
Men of empire in their purpose,
Men with eras in their brains.

We sent West this type of men from Ontario, Quebec and the Maritime provinces, and they have taken a leading part in developing the West. Some of them have since been returned to this House. To-day they have railroads over the mountains and over the plains. and the colonization of that vast area is one of the greatest events in modern history. We acknowledge the great work that those pioneers have accomplished, and to-day we are trying to do the best we can for them in helping them to solve economic problems with which they are now confronted.

We have a considerable industrial development in the Maritime provinces, in which over $145,000,000 has been invested. My friend across the way (Mr. Grimmer) has a number of thriving industries in his constituency at St. Stephen and other places. I believe the country needs plenty of busy workshops. We all desire to help along our manufacturers, but in our plans for their assistance and development we think that we can see a little further ahead than some of our friends who recommend protection as the only remedy. We have got to furnish our manufacturers with a home market capable of absorbing a large part of their manufactured goods, and in order to do that we must allow certain cheap goods into the country, which means that we must have a lower tariff.

In comparison with the rest of Canada we in the Maritime provinces are not doing so well industrially as we ought to be. I think we can have as large and important factories down there as in any other part of the Dominion. A few years ago I wrote to the then president of the Canadian Manufacturers' Association in Toronto to the effect that our people would have to go in for free trade, unless the manufacturers opened their eyes and ceased to so selfishly centralize capital in Montreal, Toronto and a few other big cities. I suggested that the remedy would lie in decentralization both of capital and industry and I asked him if it would not be possible for the members of his association to establish branch factories from ocean to ocean in places where the raw product appropriate to the particular line of manufacture was obtainable. That is what we must do if we are to go ahead industrially and commercially, because with the long haul of thousands of miles separating the Maritime provinces from the great commercial and industrial centres of the country not only are we in the East handicapped, but the disadvantage reacts on the manufacturers of Ontario and Quebec. About 1919 freight rates had been increased to such an extent that it was no longer commercially practicable to attempt to ship commodities beyond a certain distance, otherwise the transportation charges soon exceed the value of the freight.

In Prince Edward Island we have soil that is superior to Germany's for the growing of sugar beets, but unfortunately we have not the capital to develop this industry, because the big banks have swallowed up our small local banks and the financial resources of the Maritime provinces have been withdrawn to Toronto and Montreal. At one time we had factories turning out mowing machines, carriages, plows and many other articles, but these small industries have all been swallowed up by the larger concerns, and this centralization of industry and capital has been the ruination of industries in those parts of the Dominion that are far distant from our great banking and industrial centres. I repeat, we should have decentralization of capital and of industry. We grow the best tasting vegetables of any province, and our sea trout is the best obtainable anywhere. Though we have had ample occasion to feel gloomy, we are not downhearted.

Mr. FORKE: If I had a little money I would be down there.

Mr. MACKINNON: Well, you would find our sea trout unexcelled. We would like to have some of you make a visit to the island during the summer in order that you may enjoy a healthy dip into the breakers on the north shore. It is a country that will go ahead; the production was better last year than it had ever been, but what is missing is an adequate price for our products. Our position is something like that of the West, where there was a very large yield but not enough realized because the price was wrong and freight rates were too high. We are in the same fix. It is not the fault of the present government, mind you. It was under the former government that the freight rates were made so high; it was under the former government that the Crowsnest pass agreement was changed and the rates put up. You remember how we were criticized in respect to the Crowsnest pass agreement the year before last; we four members from Prince Edward Island were denounced for voting for the legislation then introduced. But what has

happened? The return to the Canadian Pacific since the restoration of the old agreement has been better than it was during the period when the suspension was continued. It is well that we should have these facts in mind, because we have been accused of losing to the Maritime provinces $17,000,000 by our vote in favour of the restoration of the Crowsnest pass agreement. Men like Mr. Beatty and Mr. Hanna predicted that they would lose millions by the change, but it turned out the very opposite; their judgment did not happen to be right.

I have referred to this matter of freight rates because it affects us a great deal. We pressed very hard to get the freight rates reduced, because our people were carrying their goods with horses owing to the fact that they could not afford to ship by rail. The railway returns in the Maritime provinces have not been good, simply because the people are too independent to ship by rail when they have to pay such high freight rates. The new board made some reductions very soon after their appointment, and the situation improved accordingly. But we cannot hope to have the country prosper unless our workshops are kept going and unless we have easy and cheap means of conveyance from one place to the other both for goods and for people; I think that goes without saying. These are the greatest drawbacks that affect us down there. Special rates for tourists would be appreciated.

I wish the Minister of Railways (Mr. Graham) were here. I had intended to bring a matter to his attention, but perhaps the Minister of Justice (Mr. Lapointe) will do it for me. We have a good many people leaving our province. It is proposed to spend a considerable sum for immigration. There were two little branch railroads proposed and agreed to both by Liberals and Conservatives in this House as far back as 1911, the New London and Rustico branches. Plans were prepared and sites allotted for buildings and so on, but the work was never gone on with. In New London we have people whose fathers or grandfathers came from Scotland a hundred years ago, and in Rustico we have the descendants of French Acadian settlers. It is two hundred years since the first settler went into the Rustico district. What I ask the Minister of Railways, through the Minister of Justice, is that while he is providing for the settlers in the new districts in the West by twenty-six branch line resolutions he should not forget the descendants of the old settlers in the districts I mention, who have been there for 100 and 200 hundred years. Let him give us these branch lines this coming summer so that we may have a celebration and the return of our own people.

Yesterday a man well known in public life who came from Prince Edward Island passed away in the person of the late Chief Justice of Canada, Sir Louis Davies. He was highly honoured in the province and in Canada as a whole; his career was long and honourable and an inspiration to the young men of the province. Undoubtedly his field was larger than it would have been had he remained in the province and practised law, but his illustrious career is only one instance. Go to another room in this building and you will find Sir Robert Falconer and the Reverend Doctor Pringle who came from Prince Edward Island, fighting on one side of the church union question, and on the other side the Reverend Doctor Fraser and one or two others. Doctor Pidgeon is a descendant of the Pidgeons of New London, Prince Edward Island. I mention these simply as instances of men now in the struggle who came from the province by the sea. Had they remained down there they probably would have worked at farming or something of that kind, but their education was good and they have gone out to other parts of the continent. You find them from California to Massachusetts and all through our western country—workmen, clergymen, doctors, lawyers and judges. I could give you the names of many who have gone out and have attained eminence in different parts of the world. I will mention just two others, if you will permit me; one is J. Gould Schurman, who grew up on a farm in Prince Edward Island, was president of a university in the United States and to-day is ambassador for the United States in China. Another was Franklin K. Lane, who was a distinguished member of the cabinet of President Wilson during the war.

I do not mention these things in a spirit of boasting; I am simply pointing out that although the place is small it is turning out men who have proved their worth in other parts.

We have fewer people there by ten thousand than we had when we entered confederation, but we are not inclined to secession; we believe in standing by the union; we believe in Canada going ahead. But we cannot get population without industries. There is a splendid opening for industry in Prince Edward Island if the capitalists would, instead of concentrating their activities in large centres, establish branch houses in other parts of the Dominion. I admit that the practice of concentrating in the large centres

is good from the point of view of foreign trade, but it is ruinous for our local industries. Many of our sons have gone out to the world, so that part of the intellectual force of the island has been spent in other provinces and countries, and although we do not have the benefit of it, I think it is well spent and that we have no reason to regret it.

Mr. T. H. McCONICA (Battleford): Mr. Speaker, I have no disposition to prolong this discussion, but there are a few observations that I should like to make. To my mind this budget and the amendment offered by the hon. member for Kent (Mr. Doucet) raise a very important issue in Canada to-day, the question whether the future fiscal policy of Canada is to be a tariff for protection or a tariff for revenue. That, it seems to me, is the issue. That is where we stand to-day as a parliament and as a country. Now, for my part, if that issue is fairly joined, I would take my position in favour of a tariff for revenue. We have had a good deal of talk about free traders, but there is no use discussing this question except as it stands. I do not think any one in this House to-day is in favour of putting this country under free trade at any time in the near future. We believe in a revenue tariff, with such incidental protection as that affords.

Now what is a protective tariff? It is a tax levied for the purpose of protection. It is levied for the purpose of taxing the many to protect the few. It taxes the money out of the pocket of one private individual into the pocket of another private individual, and I do not think that is the proper function of government. I deny that a government has the moral right to say to one man: I will help you, and I will do so by hurting your neighbour. That is what protection is when you reduce it to its final essence. Now what excuse is there for this proceeding? What good end is obtained by this discrimination between our citizens, for that is what it is? It is taking from one and giving to another, for what purpose? Why, the hon. gentleman says, we will be able to build up the home market; that is the great desideratum. Well, in the first place, can we do it? In the second place, what does it amount to if we can do it? So long as the price is the same, I cannot see that it makes any difference to the man who sells whether he sells in the home market or abroad. There may be some sentimental reason why he would prefer to sell at home; perhaps he would like to bring in people to associate with him and to whom he could sell, but so far as the money that goes into his pocket is concerned, I cannot see that there is any difference between the home market and the foreign market. So far as bringing relief, for instance, to the wheat grower of the West is concerned, there is no difference.

Take our wheat. Our price is fixed in Liverpool, and the Canadian consumer pays the Liverpool price, less the cost of sending the wheat to Liverpool. The producer in western Canada realizes exactly the same price in both cases, and it makes no difference to him financially whether the wheat stops in Ontario or goes on across the water. So as far as relief is concerned, the home market is not of any particular consequence. Suppose we bring people in here. Well, the price of our wheat is fixed by the world price, and if we could transport enough people to Canada to eat our wheat, they would not eat any more wheat here than they would if we left them in Europe, would they? Not a bit; perhaps not quite as much, for there I understand the ration is a bowl of soup and a loaf of bread, while over here we have meat and potatoes, vegetables and fruit and everything else, so I think they would eat rather more wheat on the other side of the water. So far as a market is concerned, this home market is a myth.

Another thing: We are raising about 300,000,000 bushels more wheat than we consume. We raised last year 470,000,000 bushels, and we eat about 50,000,000 bushels or a little less than that. A man eats between five and six bushels of wheat a year, or about 50,000,000 bushels for eight and a half million people. We also sow about 50,000,000 bushels a year, or a little less than that. We have at least 300,000,000 bushels of wheat to ship abroad. Now suppose we tried to consume that wheat at home; 300,000,000 bushels divided by six means 50,000,000 people to bring in here to consume that wheat, and not one of them would be raising wheat. What would they do? That is the question. If we build up this home market they talk about, what are we going to do with these 50,000,000 people? Are they going to manufacture? Where will they sell their stuff? The hon. gentleman says that we should be self-contained; we should live on what we produce. Now we can produce enough to keep ourselves and still have a large surplus. What are we going to do with it? Send it abroad? We are self-contained, we are raising what we need and we should send our stuff abroad; load a shipload of our products, send it to the markets of the world and

sell it, and bring back a shipload of money; then load another ship and bring back another shipload of money. But how long could we keep that up? We would not get three cargoes out of this country till they would say: We will buy your stuff if you will buy ours; our money is all gone. Yes, Mr. Speaker, we must depend for our foreign trade on our ability to buy foreign goods. There is no other way of doing business, and we cannot build up a foreign market unless we buy abroad. Fifty millions of people brought into Canada and engaged in manufacturing or any other vocation you could put them at would not eat a bit more wheat than if they had stayed in Europe. We would not have a market for an additional bushel.

The hon. gentleman says we are producing too much wheat. Well, they are buying all we send to them; they take all we produce. He also says the price is too low. But the price is not going down; it is as good this year as it was last. That is not saying much for it, but that is the situation. He also offers very good suggestions as to how we can relieve our farmers. They should not produce so much wheat, he says, and they should sell at a better price. But how are you going to get a better price? Then he says we must go into other lines of farming. Now what other line, I would like to know? I am a farmer and I am ready to shift to some other line. I have shifted to other lines, and it does not pay. There is nothing else that can be suggested for a farmer in the West to engage in. Talk about the dairy business—we cannot compete with eastern Canada in that. Why our cows are practically all dry fed for ten months in the year. We have a little fresh grass for feeding purposes along about the beginning of June, and then it dries up and our cows are practically fed on hay for the balance of the year; they give scarcely any milk. We cannot manufacture dairy products and compete with the farmers of Ontario and Quebec, even if we were as close to the market as they are. We are told to go into some other line, go in for raising cattle. I have raised cattle; I am raising cattle now. It takes ten acres of our prairie grass to keep a steer. That ten acres will cost $200. At 8 per cent that is $16 a year. You can summer the steer on that ten acres but then you have got to winter him. Sixteen dollars a year for three years. That is $48 and you will do mighty well if you can sell him for $30. That is the cattle business. We are told to go into some other line. I want to say to you that the other lines are worse than wheat, and I have tried a good many of them. We are told that the aggregate reduction in the price of agricultural implements is not going to help us much. The reduction will not help us a whole lot, but it will help some. The hon. gentleman to my right (Sir Henry Drayton) told us that we would only save about $750,000 by this tariff reduction on agricultural implements.

Sir HENRY DRAYTON: Altogether, and you get only a little bit of it.

Mr. McCONICA: Well, it is not so much the revenue, it is the bounty we pay to the manufacturer. Then the hon. member for Brantford (Mr. Raymond) said "Why the farmers of the West need not complain about their agricultural implements because the member for Brandon (Mr. Forke) says they are not buying any implements." That is true, they are not buying implements to any great extent. They are, Mr. Speaker, using old worn out implements, and there is not much economy in it. It is the worst waste they can be guilty of to drive a poor seeder across a field and probably lose two or three bushels per acre when if they had a good machine it would pay for itself in a single year. It is the same with a binder that does not work well. If you had an efficient machine you would soon make up the cost. The reason the farmers are using old machinery is not because they are economical but because they have not the money to buy the new machinery which they need. The farmers of the West have got to the position where they have to save every dollar, or not spend money that should be spent, in order to make their operations profitable.

Hon. gentlemen to our right have told us that the tariff is the great panacea. They say "Take the United States. It has become rich and opulent because it has a protective policy." Well, as another hon. member very truly said, the United States has become rich and opulent in spite of its protective tariff. The republic to the south is in a very different situation to Canada. The United States is practically a world by itself. It is a self-contained nation. It has a diversity of products and climate. It produces practically all it consumes, and consumes practically all that it produces. Its foreign trade does not amount to anything to speak of—that is from a percentage basis.

The states of the Union trade among themselves. The cotton raiser sells to the north, and buys from the north, and so it is. Over there they supply their own wants, manufacture for their own industrial needs, and

their exportation of commodities is very little. I have here a statement from the United States Minister of Commerce, the Hon. Herbert Hoover, in an article entitled "Economic prospects of 1924" in which he says: "Less than 6 per cent of our total production is exported." Less than 6 per cent! It is a free trade nation, a nation that trades with itself. There are no trade barriers in the United States. He also says "Less than one per cent of our manufactured products find a market in Europe." So it is a great free trade country. Thirty-five or forty years ago the manufacturing was done in the New England states. They had a tariff but no internal tariffs. The factories were old and well established, and well financed and managed. They were located in Massachusetts, Connecticut and the eastern states. They had all the advantage of mass production and everything. They had, according to the theory of our protectionist friends, the best of the situation down there. Take Fall River, Massachusetts. It was the centre of the cotton manufacturing industry. They had great mills there that were supplying the world's market. They controlled that market. They thought their climate was the only climate in the United States where cotton could be manufactured—just the right amount of humidity they told us and just the right temperature, and so the only place where cotton could be manufactured. What happened? They started to manufacture cotton down in the southern states. Free trade! Why in New England they thought they were right in the position to kill out those fellows who started down there. According to the theory of the protectionist they could just crush them like an egg shell. To-day, as an hon. member stated here, four million out of the six million bales produced are manufactured down below Mason and Dixon's line.

What is true of the cotton business is true of every other line of manufacturing in the United States. The great manufacturing establishments of the United States are in the West, not in New England. They have been started and built up in the central and western states where there are great hives of industry. That is where you find the manufacturing trade of the United States, and it has all grown up in the last thirty-five years under free trade conditions. Now, if they can do that over there why can they not do it in Canada? They tell us that fortunes have been made down there. It is true. Probably the most successful manufacturing establishment in the United States is the Standard Oil Company. I apprehend it is probably the most successful enterprise the world has ever seen. It took a comparatively unimportant product, a natural product, a product that is found the world over—

Sir HENRY DRAYTON: Do not forget Ford and the tin Lizzie.

Mr. McCONICA: —and they manufactured that into a commodity that is used generally, for which there is a universal demand. They work that product up into a hundred different commodities to-day; it is the most closely manufactured article in the history of the world. That company have paid good wages and have never had a wage strike in their entire existence. Still they have competition. There are hundreds of other refiners and thousands of independent producers, and yet they have built up fortunes fabulous in amount. Their directors are founding colleges, financing great enterprises, and establishing hospitals. It is a wonderful business which has never had a single farthing of protection, and what it has done other companies can do. It has stood firmly on its own feet and has done business with the whole world. It has met universal competition and has held its place in the trade of the world, so that its products are to be found wherever there are people to buy them. I repeat, this great enterprise has grown up without the slightest protection. Now, why cannot Canada do the same? Here we are with boundless natural resources, with our own food supply at home, and with the cheapest and best power in the world. We have a great inland system of waterways that gives us access to the markets of the world at cheap rates, and we have a class of workmen as intelligent, as industrious, and as efficient as can be found anywhere. Yet we cannot compete at home, we cannot compete abroad, we cannot compete anywhere. After fifty years of coddling, and nursing and boosting, our manufacturing enterprise is so frail and wobbly that it is crushed with a shadow. That is the situation. Why, an hon. member yesterday told us that the agricultural implement business was ruined entirely; whereas before a $100 implement was listed at $95, paid $9.50 tariff and was sold for $104.50, to-day, under our present arrangement, it was going to be listed at $100, with a tariff of $6 and would sell for $106. Our implement dealers, he said, could not stand the competition and were going to be ruined. Imagine, $1.50 of a rise in price and it spells ruination to our home industry. That sort of competition means their destruction, their annihilation. I do not understand the logic of it; at least that logic is a little involved.

I am not in favour of the proposed amendment (Mr. Woodsworth). There are some things in it that I like, but as I understand the proposition, it seems that we are to condemn the government or at least to vote a want of confidence in them. Now, we are not trying to improve their budget with the amendment. If this amendment were carried it would not change the budget but would simply be a vote of lack of confidence in the administration. That is all it would be. And having voted for the amendment declaring a want of confidence in the government, ten minutes later we would vote for the budget and so sustaining the government that we had no confidence in! I do not want to put myself in that position; I do not believe that it is a position which we ought to assume as a party over here. I should have preferred to have seen a square issue between the proffered amendment of the hon. member for Kent, N.B. (Mr. Doucet), and the budget as it has been brought down. I congratulate the Acting Minister of Finance (Mr. Robb) upon his budget speech and upon the underlying principle of it. I accept the statement that has been made, that the question is as between low tariff and high tariff, and I am for the low tariff. The fight is on, and I say to my hon. friends to my right, "We will meet you at the next election on that issue and will trim you."

Sir HENRY DRAYTON: Wait till we get at you.

Mr. McCONICA: At any rate, the question is one which we want to have settled in Canada. We should approach it in all candour and there should be no political jockeying about the matter. It is a square business proposition: Can we tax ourselves rich or can we not? For my part I am in favour of the reduction of the tariff as gradually as is feasible, without disturbing industry over much. At all events, I want to see a firm, persistent and well carried out programme of tariff reduction here in this Canadian country of ours.

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. 15, respecting the Canada Southern Railway Company.—Sir Henry Drayton.

[Mr. McConica.]

Bill No. 16, respecting the Detroit River Tunnel Company.—Sir Henry Drayton.

THE BUDGET

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

Mr. T. J. STEWART (West Hamilton): Mr. Speaker, considering the important question now before this parliament and the fact that I represent an industrial centre of such importance as the city of Hamilton, the third largest industrial city in Canada, and possibly the largest in proportion to population, I would not be doing my duty to the city, or my constituents, if I failed to register as strong a protest as possible against the ruinous tariff tinkering proposals contained in the budget of the hon. Acting Minister of Finance (Mr. Robb). My responsibility at this time is the greatest by reason of the absence overseas of the hon. member for East Hamilton, (Mr. Mewburn) in whose constituency the majority of the city's industrial establishments are located. I am sorry that I am not just as well as I was before my illness; at the same time I must try to do my duty to my country and to Hamilton in particular.

After making a thorough canvass of the situation during the Easter vacation, I am convinced that if this government persists in the tariff reductions contained in the budget it will strike industrial Canada, and Canada as a whole, one of the most severe and serious blows this country has been dealt in many a decade—a blow that will spell total ruin to many branches of industry and one from which the country will not recover for many years. If these annual tariff reductions are persisted in and the tariff instability of the past few years continued, while the United States year by year continues to build higher its wall of protection against our agricultural products, I can foresee the day, and that not very far hence, when our cities will be depopulated and the home market of our western farmers so reduced that the plight of the whole country will indeed be pitiful.

We, in industrial Ontario, and I believe in Quebec also, realize that the western farmer has been having a struggle as a result of war and after-war conditions, and as our prosperity in the East is very largely dependent on his success in the West, we are eager that some measure of relief should be found for him. But we do not think that you can make the West flourish by killing the East, for agriculture is dependent on industry just as industry is dependent on agriculture; and only by all classes pulling together can we hope

to make this God-favoured Canada of ours the great nation within a nation that it should be. The tariff reduction proposed on implements of production are not nearly sufficient to be even noticed by the individual farmer, much less bring him relief. I may say that I have taken the trouble of looking into the amount of goods that the farmers in the West have to buy, and on a liberal estimate I find that the total amount the average farmer stands to lose works out at $10 if the tariff is left untouched. I think it is very bad judgment on the part of the farmers of the West to want to ruin the manufacturers of this country for the sake of $10 apiece, and I think the day will come when they will realise that they made a mistake. But when these tariff reductions are bulked on the manufacturers' turnover they mean, in many cases, the difference between profit and loss, the difference between busy factories and smokeless chimneys and, I fear, the difference between progress and stagnation in our country as a whole. I have heard it remarked there are at least two reasons for this: First, the majority of the residents of Alberta and Saskatchewan are American citizens and have a warm corner in their hearts for their native country. There never was a more important time for a reduction of the tariff than right now. The government has not a working majority behind it and could not very well say no in the face of our friends from the West agreeing that if the government would give them a reduction in the tariff on agricultural implements, they would give the government their heartfelt support. There appears to be something in this because we have the statement of the hon. Prime Minister on the floor of the House that his government had given a promise to the western members and they were not going to be stopped by the Conservative party. The Prime Minister may say this statement is not so. Of course, I am aware that it does not appear in Hansard, but the remarks were made just the same.

I would call the attention of the government to the fact that the western agriculturist is not the only one who has suffered or is suffering as a result of after-war conditions. In like proportion to the amount of his investment the manufacturer, the wholesaler and the retailer have also suffered, and in many cases have suffered to the extent that they have not been able to survive. The foreign trade of the Canadian manufacturer has been practically wiped out; by reason of depreciated currencies and low wages paid in other manufacturing countries, he has been forced to meet unfair competition in his home market, while our neighbours to the south have thrown up a tariff barrier against him that precludes the possibility of his seeking relief in that direction. Just how much industry has suffered and is suffering is shown by industrial statistics prepared by this government's own statistical department, and which, therefore, I assume, are quite accurate. I will quote only comparative figures for the years 1920 and 1922, the latest figures available, for the city of Hamilton, but they reflect the condition of industry throughout the whole country, showing the alarming extent to which it is falling off and explaining why our Canadian young manhood is crossing the border in thousands to secure employment while this government is spending millions annually to bring to this country foreign immigrants who become a burden on the cities as soon as winter sets in. These are the figures:

	1920	1922
Establishments .. ..No.	790	636
Capital.. .. ..$	142,051,013	145,686,297
Employees.. .. ..No.	30,454	25,469
Salaries and wages.. .. .. ..$	39,712,039	28,424,483
Cost of materials.. .. .. ..$	81,959,053	53,334,004
Value of products.. .. .. ..$	167,190,671	106,088,704

This shows conclusively that our manufacturers are getting less in number, irrespective of what any one may say to the contrary, and if this budget goes into effect I do not know what is going to happen; it looks to me as if there will not be many of them in business a few years hence.

I do not know, Mr. Speaker, that my personal opinion on the proposed tariff changes would carry much weight, but since the budget was brought down by the Acting Minister of Finance, scores of letters have been addressed to my hon. friend from East Hamilton, my hon. friend from Wentworth (Mr. Wilson), whose constituency includes part of the city of Hamilton, and myself, by Hamilton manufacturers. They know what the effect of these tariff changes is going to be not only on their own industries but on Canadian industries in general and the country at large and the government would do well to heed what they say. From these letters I will take the liberty of reading some extracts. I have the originals here and any member who desires to see them may do so.

The government has been decidedly disloyal to the manufacturers in this country. When the tariff was fixed many years ago, a preference was given to British goods; just recently the present government gave a

further preference of 5 per cent to the British manufacturers. I am interested in a knitting mill in Hamilton, which has about $250,000 capital invested, and it has been running nearly four years now without making a cent profit. This company has been in existence fifteen years and it made money until about three years ago, but since then has made nothing. Of course, preference has not been given to the British manufacturers that long, but we were hoping that the further we got away from the war the better chance we would have to get back to normal. In place of that happening, this preference was given and it has placed our knitting mill in such a position now that I do not see any chance whatever of making a reasonable and fair profit. I could never see any justification for the government's giving this preference to the manufacturers, unless they saw fit to do so.

There is one other thing which I wish to refer to, and that is the western members taking great pride in hollering poverty in reference to the western farmers and trying to show that they are suffering very greatly on account of hard times and therefore require some special consideration. The tariff reduction, which is at present under discussion, was one of the aids given them, I presume, to help them out of the position they claim they were in. Now, I happen to be very well acquainted with the West. I have brothers living out there on farms and I am out there often myself. I do not think that the farmers in the West are any harder up to-day than the farmers in the East; the farmers in the province of Ontario are just as hard up as the western ones. I can well remember advancing quite a large sum of money to a man who had a family of four boys and wished to go out West where it was thought he could do a good deal better than here, and through him I have been kept posted as to the prosperity of the West in the farming line. This man owns to-day 2,200 acres of land within nine or ten miles of Macleod, Alberta, and he has done well. I wonder where you will find men in Ontario or elsewhere in this part of the country who in a few years accumulated 2,200 acres of land. They cannot be so hard up in the West as they pretend to be. The information I have does not agree with the statement that is being sent broadcast that the farmers of the West are harder up than the farmers of the East.

Mr. Speaker, with your consent and that of the House I would like permission to have placed on Hansard a resolution passed by the Hamilton city council in regard to the Canadian Libbey-Owens Sheet Glass Company, a copy of which was forwarded to the Prime Minister (Mr. Mackenzie King) and the Acting Minister of Finance (Mr. Robb). This company, located at Hamilton, had something over $2,000,000 invested in plant, but they have gone out of business. I do not know whether or not it was due to the tariff reductions, but I know they have closed their doors, and the city of Hamilton passed a resolution calling upon the government to do something in the way of assistance. I do not want to take up the time of the House by reading this resolution and if there is no objection I would like to have it placed on Hansard.

Mr. GRAHAM: A bad precedent, but we do not mind.

Sir HENRY DRAYTON: You did it already this year.

Mr. STEWART (Hamilton): Well, if there is no objection we will have it that way; it will save time. The resolution is as follows:

Resolved, that the city clerk be instructed to write to Rt. Hon. W. L. Mackenzie King, Premier, to Hon. James A. Robb, Acting Minister of Finance, and to the local members of parliament, calling their attention to the fact that depreciation in foreign currencies, coupled with insufficient protection under existing conditions, has resulted in the closing of the Canadian Libbey-Owens Sheet Glass Company's plant in this city and threatens the life and existence of many other Hamilton industries, more especially the agricultural implement manufacturers.

We should respectfully call attention to the fact that the Libbey-Owens Company has an investment of something more than $2,000,000 in Hamilton and up until a year ago operated day and night shifts, thus furnishing employment for hundreds of men, mostly skilled, and the closing of the factory, due, according to officials of the company to foreign competition, has greatly aggravated the unemployment situation, which has become a serious problem, more especially in industrial centres such as Hamilton and has resulted in thousands of desirable Canadians leaving the country of their birth, adoption or choice to secure employment in and help to build up foreign countries.

We would also respectfully call attention to the fact that during the past three years industrial conditions have been such that many large and important industries have been forced to close their doors, while others have been so badly crippled that they are now operating on short time or with greatly reduced staffs and are threatened with total extinction, chiefly because of depreciated foreign currencies, which enables industries of European countries to manufacture at low costs and permits them to unfairly compete with Canadian-made articles. This condition has resulted in much unemployment and, in many cases, great hardships, more especially in industrial centers such as Hamilton (where the unemployed men and heads of families alone number not less than 3,000) and this council would therefore urge that the government move very cautiously in making any further downward tariff revisions, giving consideration to the fact that the further hampering of Canadian industries will lead to ever greater unemployment and develop a situation that may prove very serious in its consequences.

On the contrary, this council would urge that the tariff be readjusted so as to permit of the Libbey-Owens Company resuming operations at the earliest possible date and to sufficiently protect other existing industries as well as encourage additional industries to locate in Canada.

All of which is respectfully submitted.

T. W. JUTTEN,
Mayor.

I am sorry to take up the time of the House in the reading of these letters which I have here, but I had nothing to do with their being written. The manufacturers had a meeting of their own, which was very largely attended, and as a result they decided to send these letters for presentation to the House. They come from men representing firms with capital investments of anywhere from $3,000,000 to $10,000,000, in one case even $20,000,000. They are written by good respectable citizens of Hamilton and what they say can be relied on. I would ask hon. members to take the time to examine these letters, and if they do so and are fair in their conclusions, they will, I am sure, agree that there should be no reduction in the tariff at the present time. If it is the wish of hon. members to know who the letters are from, I have no objection to giving the names, so that if they want the names they can ask for them. The first letter is as follows:

Sawyer-Massey Company, Limited

In looking over the budget as proposed by the Hon. J. A. Robb, we find that changes are proposed that will seriously affect us in the manufacturing of threshing machines, windstackers, self feeders and saw-mills, because the tariff or protection on these articles has been reduced 33 1/3 per cent and 20 per cent, respectively, the 20 per cent applying to the saw-mills only. This change, you will understand, can only lead to one end, and that is the discontinuance of the manufacturing of threshing machinery in Canada. During the past few years, we have found it very difficult, in fact almost impossible in many cases, to compete with the American made machine, due, perhaps, to the fact that they can manufacture in larger quantities, having a much larger market. They start very early in the year and make provision for the machines for their most southerly territory. If the crop in those southern territories goes bad, they simply use them to fill the orders in their more northerly territories, and if the crop goes bad there they ship them over into Canada at a reduced value, using some stated percentage off their factory list price for the purpose of computing duty. In cases of this kind, their policy is to turn over the goods, even if they only break even, and with this further reduction there can only be one thing happen to the situation, and that is that it will follow in the footsteps of the tractor, and no doubt you are aware that that means the discontinuance of the building of these machines in Canada.

Since the duty was removed on tractors, every company building tractors in Canada has been forced to discontinue the manufacture of same, we along with the rest, and to-day our business has developed into a distributing branch of one of the American tractor manufacturers, and that is what will become of the thresher situation in a very short time with the protection practically removed.

Of coure, a sop has been handed out in shape of of 7 1/2 per cent entry on the materials entering into the construction of these machines, but if you analyse that carefully you will find that that means little or nothing to us because we cannot go to the States and buy everything that enters into those machines. Very true, some parts of it and some materials can be brought in providing they are brought in in large quantities, but the smaller shipments that would have to come L.C.L. could not be brought in any lower on account of the L.C.L. freight even though you had a 7 1/2 per cent entry any cheaper than they would be bought in Canada. Furthermore, is it fair to penalize the manufacture of the raw material that enters into a threshing machine for the sake of catering to the entry of American goods into Canada, and we fear very greatly for the future of the country and the business conditions of the country as a whole, to say nothing of the direct loss to the agricultural manufacturing interests as a class.

We also notice that certain concessions have been made in the sales tax and that the sales tax on threshing machines, windstackers, self feeders, registers, and weighers, and saw-mill machinery, has been abolished, but no provision has been made for the exemption of steam or gasoline engines to drive these threshing machines. Surely one is as much entitled to exemption as the other, also the parts used for repairs on these machines. We also notice that no provision that we can find has been made for the draw-back of the sales tax that we paid on the goods that were on hand at the end of 1923 in our various branch houses, also that we paid on other machines that have been shipped since that date to our branch houses, including repairs, and that are not yet sold, and it does seem to us that there should be incorporated in that budget something that would entitle agricultural companies to a draw-back of that sales tax where it has been paid on goods shipped to branch houses and that are not yet sold. We feel that this section, as well as that referring to exemption of sales tax on tractors, has been an oversight, and how they managed to miss catering to the farmer in these two cases, as well as in the other changes, we can hardly conceive, unless they felt that the manufacturer had already paid this money and that he would be the "natural goat" and that a few dollars more or less towards the ruination of him would not make any difference.

The next is a letter from the Canadian Shovel and Tool Company, Limited, Hamilton, Ontario.

Canadian Shovel and Tool Co., Limited

The general programme of the government seemed to be the reduction of duties on "Instruments of Production," which appears to us to be entirely at variance to the policy of building up "A Greater Canada," as any system that will break down the present status of certain great Canadian manufacturing industries and numerous other industries largely dependent on those affected by the tariff revisions, with the obvious result that a huge army of employees and their families will eventually reflect adversely on the agricultural, mining and lumbering communities of the various provinces.

After carefully analysing the subject broadly and separating our own interest for particular consideration, we cannot understand why our products should be placed in the category of "Instruments of Production." Probably not more than 15 to 20 per cent of our lines are used in the farming, mining and lumbering industries, but nevertheless moulders, foundry, contractors, corporation, railroad track, sand, general purpose and snow shovels, as well as firing scoops, house furnace scoops, garden spades and sidewalk

cleaners are included in the tariff classification "Shovels and Spades" although the items enumerated cannot reasonably be grouped in the category mentioned above. Such items however, represent the big end of our business.

The life of a good shovel or spade, according to use or abuse, varies from one year to ten, and if by permitting foreign shovels and spades to come into Canada through lowering of the tariff at, for example, an extreme saving of $3.00 per dozen or 25 cents each it is apparent that the economy effected would be negligible so far as individuals are concerned, but in the aggregate would mean a large amount to a shovel manufacturer.

Competition from England during the last year has been unusually keen and disturbing, resulting in reductions of our prices in the face of stiff markets on raw materials—the reductions made not being warranted by production costs. The duty of 18 per cent provided by the 1923 budget gave English manufacturers an opportunity to further enlarge their activities in Canada, coupled with low ocean freight rates, cheap labour market, inferior goods and depreciated currency, to the detriment of Canadian manufacturers.

Reducing the British preferential duty to 10 per cent in conjunction with the depreciated value of English money entirely eliminates the protection previously in force, and will cause Canadian makers to operate at a loss to compete, if possible to do so. Assuming that a percentage of Canadian purchasers will always prefer goods made in Canada of excellent quality and absolutely refuse to buy imported lines, for patriotic reasons, and allowing for a certain quantity of English shovels and spades that will now come in, on which Canadian manufacturers will not be able to meet prices due to the lack of protection, it is a conservative estimate that the production and sales of our own plant will be decreased in the neighbourhood of 50 per cent. Similarly this will effect about half of our employees (fifty) by reductions in number and to the extent of approximately $60,000 in wages in a year's time; also we cannot expect to continue the high scale of wages we are now paying.

Hundreds of dozens of English shovels and spades were imported last year at prices which appeared to us to be less than cost of production, but on appealing to customs authorities at Ottawa, it developed that no evidence could be found which would make the application of the dumping duty necessary. Undoubtedly the low wages paid in English factories make possible production costs that cannot be effected in Canadian factories, in justice to employees, in whose welfare employees must take a huminatarian interest.

English manufacturers are our greater competitors as we have not felt the competition from the United States so keenly of late, but the reduction of the general tariff from 32½ per cent to 20 per cent will give an impetus to imports from over the line and further add to our present serious problem of sustaining the complete operation of a factory that has grown from a small beginning in 1904 to a leading position in the shovel industry, through honest efforts to produce reliable goods at reasonable prices.

While the sales tax on our products has been withdrawn, and we intend to pass on the saving to our customers, it likewise has been discontinued on imports, so that we have no protection in this respect.

In revising the duty on shovels and spades, the government did not provide for the reduction or elimination of the duties on the raw materials we are required to import. Any saving that would accrue to us in this manner would, of course find its way very shortly to the trade.

Then here is a letter from The Canadian Drawn Steel Company, Limited, Hamilton, Ontario:

[Mr. T. J. Stewart.]

Canadian Drawn Steel Co., Limited

With reference to the changes in the tariff brought down by the new budget, we would like to point out to you as one of our members, the disastrous results it will have on our industry if it goes into effect.

Our business was started twenty years ago for the purpose primarily of supplying steel to the agricultural implement makers, and has steadily grown with that trade. During the first few years, owing to inadequate protection, the company lost money and it was only by securing protection that we have been able to build up the business we now possess. The question of our competing on an even basis with United States mills was threshed out at that time and it is quite apparent to anyone familiar with the steel business, that we cannot manufacture as cheaply as the United States mills for a great variety of reasons.

Another feature which has always appeared, due to the drawbacks given to material on agricultural implements, it that we have to import our raw material, and in the case of the Massey-Harris Co., or Frost & Wood Co., and practically all other implement makers, we have to pay two freights, namely, the freight from Pittsburgh district to Hamilton on raw material, and the freight from Hamilton to the implement maker. If the implement maker imports direct, the freight rate, say from Pittsburgh to Toronto, is practically the same as from Pittsburgh to Hamilton, so that we would be out in our price to the extent of the freight rate from Hamilton to Toronto.

According to our statistics, which can be easily verified, we supply 1460 tons per annum to agricultural implement makers, which represents approximately 25 per cent of our yearly business; in addition to this we supplied to companies, material for making parts for the implement trade, such as bolts, nuts, screws, etc., which represents 650 tons per annum, or about 12 per cent of our business. In other words, these two items if admitted free, with a total loss of this business to us means 37 per cent. We can easily add a further 13 per cent for tonnage which goes indirectly into the implement trade in the form of materials supplied for tools, shafting, etc., so that this action as outlined in the tariff, would mean a loss of 50 per cent of our present business.

Our yearly wages run approximately $100,000 and we buy steel and other materials to the extent of $400,000, thus these figures would be cut in half with a loss of $250,000 of business, but it would go further than this as the demoralized conditions of other industries all contributing to the implement trade, would be very serious. In man-power we would give a conservative figure when we say it would represent the discharge of 40 employees, and in this way indirectly would affect at least 200 people; the indirect effect to tradesmen and other would be proportionately great.

We sincerely trust that opposition to this tariff will be sufficiently strong to prevent its being put into effect, as we are only one small unit of the industrial world of Canada that would be wrecked by such free trade principles.

Yours respectfully,

THE CANADIAN DRAWN STEEL CO., LIMITED.

I now wish to read a letter from the Tallman Brass and Metal Co., Limited, as follows:

Tallman Brass and Metal Limited

Any tariff reduction that hurts the agricultural manufacturers is felt by us. We sell the agricultural manufacturers and will certainly feel a loss of business if agricultural implements are bought outside of Canada. We sell principally babbitt metal and bronze castings to these manufacturers, also babbitt and bronze castings to machinery builders who sell to the

agricultural manufacturers. It is difficult to arrive at our loss, but would say approximately $10,000 to $15,000 per year.

This will mean a direct loss because we cannot compete against American, English or competition from other countries. Labour is cheaper in England and taxes are lower in United States. Depreciated currency is playing havoc with some of our lines. German competition on thermos bottles is such that our customer has held up an order for 50,000 sets as he cannot meet the German laid down price. If the duty was figured on the par value of foreign currency it would give the manfacturers in Canada a chance to compete.

We recently lost Ford Motor Company business on automobile tire pumps. We had been making these in 20,000 lots. Our last quotation was figured on half our normal overhead and one cent per pump profit. Seventy-five per cent of the work was done by girls on piece work. We quoted 46 cents each. The American price laid down in bond was 35 cents, full duty 42 cents and with 50 per cent draw-back for export cars 38 1/2 cents. We cannot ascertain if these are dumped into Canada or not, but we are quite certain that no manufacturer in Canada can meet the American price.

We do considerable work for the automobile manufacturers and believe that if our government would increase the percentage of 25 per cent that now exists, of work to be done in Canada on an automobile to be exported in order to get the 99 per cent of refund, that it would be a good thing and also protect the manufacturers of automobiles who build the car over here. Some firms only assemble cars here and buy parts to the extent of 25 per cent. A larger percentage would make it necessary for them to go into manfacturing.

Ontario and Quebec cannot pay 77 per cent of the taxes required by our federal government, unless the government protects the industries and makes it possible for these two provinces to first earn the money.

We certainly cannot pay our share of these taxes if the United States or foreign countries are allowed to undersell us.

Yours truly,

TALLMAN BRASS & METAL LIMITED.

April 21, 1924.

I have a number of other letters here and perhaps in order to save time the House will permit them to go on Hansard without being read.

Mr. GRAHAM: I do not think there will be any objection to that.

Mr. SPEAKER: If the House consents.

[The letters handed in are as follows:

The Brown Boggs Co., Limited

The writer feels certain that you are well aware of what a misfortune it would be to Canada if this proposed legislation goes into effect. While most of the changes do not effect this company directly, indirectly it will have a very serious effect, when you consider the large number of manufacturers of agriculture implements and saw mill and mining machinery operating in this country.

These people are among our customers, and we probably sell 25 per cent of our product to them. If they are working under a handicap, and their business shrinks, it is only reasonable that our trade with them will be cut off, as no company will purchase new equipment unless they are expanding or prospering. This will also react of necessity on other manufacturers from whom we purchase our raw materials, as our volume of business will be lessened.

The working-man will also feel the effect of this curtailing of production, and necessarily the merchants from whom they buy.

We will suffer from U.S. competition as some of the largest manufacturers in this country are branch concerns, and will be able to import considerable of their products from the parent factory in the United States where they can manufacture certain lines more cheaply than in Canada, owing to the greater production.

The preferential tariff on English goods interferes with us directly to quite an extent as it allows goods made in England under a much lower wage rate than we must pay, to come into Canada and under-sell us.

Then, as you are aware, Germany is making great efforts to get a foot-hold in this country, and is advertising very extensively here now. When one considers the difference between what the German workman can live on and what the Canadian workman has a right to receive, it is not hard to understand how they can ship goods in here and sell them at less than our actual cost.

The "Dumping clause" which was put into force some years ago had a good effect at one time, but the writer doubts very much if it has been enforced recently.

Yours very truly,

THE BROWN BOGGS CO., LTD.

April 24, 1924.

The Ford-Smith Machine Company

Dear Sir:—

We wish to draw your attention to the anxiety with which we view the proposed tariff changes now before the House. We are not manufacturers of agricultural implements, and we are not directly affected, as far as we can see at the present time, by these proposed changes, but we are indirectly very greatly affected, and view these changes with great alarm.

This company designs and manufactures machinery, dies, jigs and fixtures which are used by other metal working plants, including implement manufacturers, and anything that affects them, naturally has its consequent effect on us, and our employees.

This company located in Canada well aware of the disadvantages of a small market, and with a full knowledge of the growth of the machinery business in United States under their protective tariff. Had we ever thought that it might be that this tariff would be reduced materially, we would have considered it business suicide to locate a business of our nature in this country, and we would not have done so.

If the present tariff changes go into effect, though it is difficult for us to estimate our loss of sales and employees, because there are many other industries whom we serve and who themselves will also be indirectly affected, we would say that this legislation might depress our sales from 25 to 40 per cent, causing us to lay off skilled mechanics to this extent.

You no doubt have heard in a general way about our mechanics leaving for the other side, but if you were in touch with the situation as we are here, you would get a shock that would surprise you. I am sure that this condition is not properly appreciated in Ottawa. The present position is that we are training young men as apprentices in our technical schools built at tremendous public expense, for the benefit of the United States manufacturer. It is not idle talk, but is the plain statement of facts, that the opportunity for a skilled man to-day is across the line. Our largest competitor is of course the United States manufacturer. It is only by the most strenuous efforts that we are able to compete even at the present time, and if the present advantage of the tariff is

reduced, it is very problematical whether such people as ourselves can stay in business in this country.

We cannot impress upon you too strongly the seriousness of the present situation, and we would repeat in conclusion that if this country has to be a manufacturing as well as an agricultural country, that we shall have to have a proper measure of protection till such times as our Canadian quantities are large enough to allow us to specialise in the same way as our foreign competitors; and we would again point out that the strong home competition will insure the proper prices to our consumers.

Yours truly,

THE FORD-SMITH MACHINE CO., LTD.

April 21, 1924.

The International Harvester Company

F. M. Morton, general superintendent of the International Harvester Company of Canada, Limited, Hamilton branch, issued the following statement, regarding the situation arising from the new budget tariff.

"The situation produced by the new budget tariff is a matter of grave concern to the International Harvester Company of Canada, Limited. We do not see how the lowered duties can fail to have a serious and prejudicial effect upon the company's manufacturing operations at Hamilton and Chatham. How serious only the future can tell. All we can say is that the company will do its best to meet the situation and keep its plants in operation so long as tariff laws and business conditions will permit. This will be done not only to protect the investment of the stockholders, but the means of livelihood of its employees and their home investments made in the belief that Hamilton and Chatham would continue as prosperous manufacturing communities, assured of encouragement by the country at large.

In the same way as the prosperity of these communities is bound up with that of the industries located in their midst, so in a larger sense the prosperity of the farmers of Canada is also affected. They cannot profit in the long run by making unprofitable the industries which have heretofore supplied their needs. The future of Canada must depend on the mutual prosperity of agriculture and industry, just as in the United States the prosperity of the country has been dependent on the prosperity of these two activities.

We hope the farming communities will come to recognize this relationship and insist on fair treatment to industry, not only as a matter of justice to the investors and great number of their fellow-citizens employed as workmen therein, but for their own enlightened self-interest.

INTERNATIONAL HARVESTER CO. OF CANADA LIMITED.

April 17, 1924.

Dominion Sheet Metal Corporation, Limited

For the past several years our main competition has been against the United States producers, where a duty of 12 1/2 per cent is somewhat assisted by average United States exchange rate of one to three per cent.

Now, however, the import competition has swung around almost entirely to the British sheets with their low labour cost, and the 7 1/2 per cent duty on galvanized sheets from United Kingdom is entirely wiped out by the present depreciated English currency, being about 10 per cent or more below the Canadian par.

You will thus see that the man who buys galvanized sheets can take the money with which he would pay us and can pay the 7 1/2 per cent duty and have 2 1/2 or 3 per cent left over when buying the English sheets.

[Mr. T. J. Stewart.]

We are the only concern doing this work in Canada, and have had a very difficult time for several years but finally have the industry pretty well established, but it is only on account of an efficient organization and low overhead cost that we are able to compete at all and that in a restricted district.

We sincerely hope that something will be done in the way of adding a certain amount, based upon the per cent of depreciation, this amount to be added to the duty, as it seems only fair to us that this duty being figured on a normal value of currency from the exporting countries should be increased when their currency becomes depreciated; otherwise the original intent of the duty is not being carried out.

We and our entire staff and force of employees, together with co-operation industries furnishing us with raw materials here would certainly appreciate some release from this situation.

Yours very truly,

DOMINION SHEET METAL CORPORATION, LIMITED.

April 17, 1924.

Collins, Never-Fail Products, Limited

We are producers of a line of poultry raising supplies including incubators and brooders, as well as a line of spraying equipment for use by horticulturists.

In view of the new changes in the tariff we have decided to suspend the manufacture of brooders and incubators as well as the sprayers with one or two small exceptions, and to import these and job them.

This will cut our expense down because we will dispense not only with a considerable number of workmen but some of the office staff as well, and the small jobbing profit will be one we can depend upon rather than take a chance on a larger manufacturing profit.

Might say for your information that last year under the old tariff we came within a few dollars of breaking even, sustaining a slight loss on the manufacturing of the incubators and brooders and the spraying equipment, and this year we were hoping for an increase in the demand and an opportunity to make a profit, but in view of the change we have decided to suspend manufacturing and go into jobbing, selling U.S. lines. which we are able to import now at less than we can manufacture.

This comprises about half our manufacturing operations and we pay out from twelve to fifteen thousand dollars a year in labour, and four or five thousand dollars a year in clerical and staff payroll, and this will be cut in two.

The worst feature in our estimation is the fact that instead of progressing and growing we will now be entirely obliterated as far as the Canadian industry is concerned, and we are quite sure that if we cannot manufacture at a profit no one else can in Canada.

Yours very truly,

COLLINS, NEVER-FAIL PRODUCTS. LIMITED.

April 17, 1924.

P. B. Yates Machine Company Limited

We are greatly concerned and apprehensive as to the general effect tariff reduction is having and will have on business at large in Canada.

As a result of the war, a greater number of diversified commodities have been produced and can be obtained in the Dominion, with the result that 99 per cent of our purchases have been made in the home markets, and 90 per cent right here in Hamilton, a thing not possible prewar.

With assurance, under a stabilized tariff, have been able to measure the future with some degree of confidence, resulting in investment of our money in materials and labour, in other words, building up stock against future prospects, thus creating markets

for materials and keeping labour employed over low business areas.

To meet conditions which the lowering of the tariff and increase in British preference has brought about, we must seek the lower or cheaper foreign markets that are thrown open to us to the exclusion of our home markets; if that situation exists with us it also affects hundreds of others. That is the condition we are apprehensive of, we live with and upon each other, —what affects one affects all.

There was such a reversal of business in our line, during the interval the Speech from the Throne to the time the budget was brought down, as to result in a complete change in our producing policy.

There is not that confidence in the future facing us as to warrant our taking the financial risk in accumulating material and keeping labour employed, only as can be applied to actual orders in hand, resulting in our having to lay off a number of men and curtail hours of employment, of the balance, to 30 hours per week, and material purchases.

This not only adds to the unemployed, it means the loss of our and their purchasing power, further loss to the city of Hamilton and to the Dominion.

From a beginning in 1907 to a business in 1911-12-13 giving employment to 380 under the stabilized tariff of the Laurier government to a dwindling to 96 employees under a shifting tariff of the King government, the like of which we have not had in our career of 17 years.

The increase in British preference has thrown open to English competition a market for machines, under Item No. 453-B, that they have heretofore not been able to enter, competition in respect of wages paid, hours worked and cost of materials we have little hope of meeting. We know what this competition is, as we have learned from our losses in Australia, and competition which Australian manufacturers are complaining seriously of to their own government.

The attention of the government has been called to the fact that Canada alone has seen fit to reduce her tariff, the results of which are fast becoming apparent in comparison to the country to the south of us, with its protective wall against us and our western contemporary, "the Farmer", in particular.

On the one hand our government is spending money to increase immigration, while that to the south is spending money to keep it out, except our own favored artisans and mechanics, no quota is placed against them; there is, however, a tariff,

Item—Human beings, $8.00 per head.

Money will go where business is to be had, and employment and immigration will follow; every restriction, every obstacle placed in its way will cause it to flow in the opposite direction, and those obstacles are now placed with the adoption of this budget which are going to be felt, not by the individual, not by a faction, not by a section, but by all the people and our country as a whole.

Yours truly,

P. B. YATES MACHINE CO. LTD.

April 24, 1924.

Imperial Cotton Company Limited

April 19th, 1924.

On the basis of our sales to the agricultural implement manufacturers during 1923, our future annual sales will be reduced over ten per cent and our yearly production will be decreased approximately twelve per cent; which, in terms of our personnel, would affect about thirty-five employees, whose earnings aggregate over $30,000 per annum.

By the terms of the proposed reduction of tariff on materials supplied the agricultural implement manufacturing industry, our protection as against the United States will be cut twelve and one-half per cent, whereas England will now have a preference over us, on the present rate of exchange, of at least three per cent in the Canadian market; and other countries with depreciated exchange will have an opportunity afforded them to offer severe competition.

Under the present method of assessing duty on depreciated exchange from foreign countries, it is now a hardship to compete with the protection afforded us by the present tariff and, in many instances, we are obliged to accept business at a distinct loss in order to hold the trade which we have endeavored to build up over a period of nearly twenty-five years.

While we are a small industry comparatively, a substantial portion of our production is sold yearly to the manufacturers of agricultural implements—very largely on a quality basis, as their specifications are exacting. There is thus no opportunity afforded us to meet the additional competition which the proposed tariff changes will invite by lowering the quality of our product through utilization of waste or by-products.

Yours very truly,

IMPERIAL COTTON CO., LIMITED.

April 19, 1924.

Bird & Son Limited

Owing to the restricted purchasing power of our customers which has shown itself during the past few months, and particularly during the past one or two months, we have been forced to reduce the number of employees to a lower point than at any time during the past six to eight years. An investigation leaves no doubt in our minds that the cause is nothing else except a lack of confidence in the fiscal policy of the present government.

While our business is not directly affected by the proposed tariff reductions in the budget recently handed down, nevertheless it is already apparent that these reductions will reduce the number of customers by emigration from Canada to the United States, and that the earning and spending power of those customers who remain in Canada will be materially reduced.

Based upon the present outlook therefore, we can only anticipate lower production in our plants and consequently higher costs, all of which will place United States manufacturers of our lines in a stronger position to take a larger share of the business which would otherwise come to our own plants and other plants similar to our own in Canada.

The employees of our plants both here and in Quebec are consumers of the farm products of the surrounding districts, and it is not only probable, but almost certain that as the purchasing power of our employees decreases, the sales of the farmers in the surrounding district will proportionately decrease.

Yours very truly,

BIRD & SON LIMITED.

April 25, 1924.

Stanley Steel Company Limited

We are drawing to your attention the charges in tariff as brought down by the recent budget, and how it will affect our business.

We have been manufacturing cold rolled steel for implement manufacturers for some years. This change in the tariff means that not only do we lose the tonnage that we have been selling the implement manufacturers, but the labour that they are employing in manufacturing parts from the steel we sold them, will be gone, as it is now cheaper for them to bring these parts in from the States in a manufactured condition, the tariff arranging for their entry on the free list.

Our production will be considerably affected by this change, and if similar changes are on the programme,

it means that the number of our employees will be decreased.

We also wish to point out that on cold rolled steel being imported into this country for export work, there is a draw-back on this material of 99 per cent. We are forced to pay the government, on 12 gauge and heavier (hot rolled steel) that we import to cold roll in Hamilton, a duty of $7 per ton. This duty which we pay, is again paid out by the government to concerns who are bringing in their cold rolled steel from the States on a 99 per cent draw-back basis.

You will agree with us that this is not a fair condition. It is a hardship imposed on Canadian manufacturers who have started plants in Canada, since these items were put on a draw-back basis by the government. If we are to employ labour, pay taxes to the government, and build up this country, is it not possible to get some relief, to allow us to increase the number of employees on our pay-roll, and be in a position to pay them wages which will ensure their staying in the Dominion of Canada?

Yours very truly,

STANLEY STEEL COMPANY LIMITED.

April 17, 1924.

National Steel Car Corporation, Limited

I might draw to your attention the fact that tariff item No. 453-B, among other things, includes logging cars, the general tariff on which has been decreased from 30 per cent to 20 per cent.

The writer happens to be president also of a car company in the United States, who are probably the biggest logging car producers in that country, and whose patents are based on steel constructed logging railroad equipment. Steps have been taken to give this National Car Corporation here in Hamilton the use of these patents and construction details, and the writer recently returned from the Pacific coast where he looked over the logging operations in that section of the country.

Of course, this action of lowering the tariff is much more detrimental to the development of Canadian industry, and particularly Hamilton, than it is to the investors and owners of this corporation. It will simply mean that business will be done through this company instead of by it. It will mean, however, loss of pay-roll for the workmen, and loss of purchasing power for the many things required to maintain operations, to say nothing of the purchasing power of the workmen's families.

Yours very truly,

R. J. MAGOR,
President.

April 21, 1924.

E. T. Wright Co. Limited

With reference to the tariff reduction budget of 1924, beg to state that this budget hits us very hard. Business was bad enough before, without a reduction in tariff, but now we are cut out of a lot of business. It is hard to know where it is going to finish.

They are trying to pass through all sorts of tinware as kitchen ware and hollow ware at 20 per cent, whereas it should be 25 per cent.

We note that shovels come under the "free" list. We make fire shovels and snow shovels.

We also make a line of dairy pails which they are trying to pass in as farm implements.

In affecting the farm implements it affects us very materially, as we supply these companies with large quantities of oilers, etc., and where it breaks up their business it also affects ours.

We sincerely trust that there will soon be something done to stabilize a trade policy in Canada which will encourage industrial business. To-day it is impossible to get any new capital invested in the industrial business.

Very truly yours,

E. T. WRIGHT COMPANY, LIMITED.]

April 28, 1924.

I now wish to read a statement showing the reductions that have taken place in the staffs of a number of Hamilton industries in the period from 1920 to 1923. Not only does this statement illustrate the unfortunate results that have already occurred but it serves to show other changes along this line which may be expected in future if reductions of the tariff are continued:

Branches of American Industries
Manufacturing in Hamilton

Name and Address	Employees 1919	1923
American Can. Co., New York, N.Y...	300	175
Beaver Motor Truck Co., Chicago, Il..	100	...
Bird & Son, Ltd., East Walpole, Mass.	75	50
Can. Libbey-Owens Sheet Glass Company, Charleston, W. Va..	200	...
Can. Hoseshoe Co., Erie, Pa..	100	80
Can. Westinghouse Co., Pittsburg, Pa.	3,000	2,500
Chipman-Holton Knitting Company, New York, N.Y..	588	400
Dominion Belting Co., Cambridge, Mass..	100	50
Dominion Foundries & Steel Limited, Buffalo, N.Y..	2,500	400
Frost Steel & Wire Co., Cleveland, Ohio..	200	100
Firestone Tire & Rubber Company, Akron, Ohio..	500	250
Imperial Cotton Co.,..	300	200
International Harvester Company, Chicago, Ill..	2,500	300
International Plow Works, Chicago, Ill..	1,500	150
Laidlaw Bale Tie Co., Ltd., Kansas City, Mo..	160	80
Meriden Britannia Co., Ltd., Meriden, Conn..	200	100
National Fireproofing Company, Pittsburg, Pa..	100	60
National Steel Car Co., New York, N.Y..	1,500	1,200
Norton Company, Worcester, Mass..	100	40
Otis-Fensom Elevator Co., New York, N.Y..	750	200
Parson & Parson Can. Co., Cleveland, Ohio..	100	50
Proctor & Gamble Mfg. Co., Cincinnati, Ohio..	400	200
Robinson Paper Box Co., Chicago, Ill.	25	...
Standard Underground Cable Co., Chicago, Ill..	200	100
Stanley Steel Company, New Britain, Conn..	100	50
Union Drawn Steel Co., Ltd., Beaver Falls, N.Y...	100	40
P. B. Yates Machine Company, Beloit, Wisc..	250	120

I have taken up more of the time of the House than I had intended, but I feel very strongly that this country has reached a crisis. Under the National Policy of Sir John A. Macdonald and the reasonable protective policy of Sir Wilfrid Laurier, this

country grew and prospered. American industrial capital was attracted here by millions, and apparently we are now going to say to these Americans: "Take your capital back across the border and manufacture at home and we will throw our market open to you. We will send you our raw materials and our brains and our brawn and we will buy from you, at whatever prices you may care to dictate, the finished products they turn out while you close your door to our wheat and the other products of our soil." Have our Liberal friends so soon forgotten the proposed reciprocity pact that sounded the death knell of the Laurier government? Even under that agreement we were to get something in return for what we gave, but the present Prime Minister (Mr. Mackenzie King) and his government, in the largeness of their hearts, would give all, even of our rich heritage, and ask nothing in return from our American neighbors, not even a mess of pottage.

Before I sit down I want to ask the government to consider the budget carefully before putting it into effect. I am well acquainted with the manufacturers in the city of Hamilton and while I know that there are some firms that are making between 5 and 10 per cent, I can assure the House that they are only a very small minority; the large majority of the manufacturers in that city are not able to do more than come out even. I believe, as a matter of fact, that if the balance were struck as between all the profits which the manufacturers in Hamilton make and the losses that are sustained by others it would be found that the average profit would not amount to more than 3 or 4 per cent. That being the case, what will happen if the budget which the Acting Minister of Finance (Mr. Robb) has presented to parliament this session is put into force? I again ask the government to look into this matter very carefully, for I have no doubt whatever that if the present tariff proposals are carried out the result will be disastrous to the industry of the country.

Mr. FERNAND FAFARD (L'Islet) (Translation): I must admit, Mr. Speaker, that I found it difficult to follow the hon. member for Hamilton (Mr. Stewart) in the sonorous speech which he addressed to himself! However, as a good Liberal, I wish to congratulate him on the worthy effort he made in trying to criticize the present administration. Moreover, in keeping with custom, the inadequacy of the arguments of the opposition members shows the weakness of their cause. Although it is part of the duty of the opposition to criticize the government, I think, if these gentlemen in the minority do not share our views as regards the lowering of duty on instruments of production, they might have shown proof of far more sincerity by congratulating us for having decreased the national debt by $30,000,000 and reduced the taxes which burdened the people, by $24,000,000. On the contrary, they reproach us with having been false to our pledges of last year, because we did not lower the duty on farm implements, and this year we are taunted for not having lived up to our pledges, because we have lowered them.

These gentlemen preach economy; we are always glad to receive advice on economy, because it is a virtue which we practise; however, it does not become the Conservatives, who caused the country to run into debt for hundreds of millions, to lecture us, especially when we are aware that even after the war, in 1919, they showed a deficit of $382,000,000, in other words, that the increase of the public debt in that year was greater by $50,000,000 than the whole debt of Canada previous to the war. This, however, is not to be compared with 1920 when the deficit rose to $674,000,000; these gentlemen who are not satisfied with a decrease of $30,000,000 on the public debt, had run the country into debt for more than a billion dollars during the last two years of their administration. In my opinion, Sir, a budget which shows a reduction in the national debt and decreases the taxes certainly deserves our approval. This budget equally protects the basic industries which help the development of our national resources, such as agriculture, lumbering, mining and our fisheries, and it will benefit our farmers, labouring classes and manufacturers.

There is no denying it, the farming class has passed through hard times during the last three years. Not only have the crops been poor, but, moreover, the prices of farm products fell to previous war levels, while the farmers are forced to pay for what they need, the same prices as during the war, Further, the farmers sell their products on every market, thus competing against the farmers of the whole world, even on their own markets. In no way do they benefit from protection, for when they purchase what is needed for their farms and themselves they must buy on a protected market and pay exorbitant prices. The farmer is tired of this state of things and his position has become intolerable. This is why many have been obliged to leave their farms, and others are on the brink of bankruptcy. I congratulate the government for having taken an interest in their fate.

The present budget will be a great help to the labourer, and I am sorry to see the old

Tory tactics crop up again which consists in sowing division and prejudicing the classes against one another.

The farmer is the friend of the labourer —whom he needs—as the labourer is the friend of the farmer, who feeds him. The latter is one of those who desires most the success of the farming class, since it is upon this class that hinges the success of the industry of which the labourer is in need.

You try to prejudice the people by telling them that the East is sacrificed to the West. The latter has received no special favour; the duties on instruments of production have not only been lowered for the West, but they have been lowered from the Atlantic to the Pacific. The people who are the most protected by the present budget are the industrial classes.

When an architect replaces another to supervise the erection of an important building, which will serve as a monument to future generations, he must first ascertain the strength of its foundations, and, if he thinks that his predecessor has made errors, it is his duty to discontinue the work and take the necessary time to repair what might become disastrous to the whole building.

The Liberal party's architect, the Right Hon. W. L. Mackenzie King, before proceeding to carry out in this country the policy of Laurier, observed that, since 1911, numerous rents had appeared in our economic system, rents due to the war and far more to the bad administration of our predecessors.

Mr. d'ANJOU: Hear, hear!

Mr. FAFARD (Translation): The economic structure was threatened at its foundation and we would certainly have had to deplore an economic disaster if our leader had not protected the very basis of industry, which is farming.

Mr. McMASTER: Hear, hear!

Mr. FAFARD (Translation): From times remote, all classes of society have acknowledged that agriculture bears the same relation to industry as foundations bear to a building. The industry in question is that of farm implements and it is very little affected, for, what has been taken away with one hand has been returned with the other. The only loser is the Department of Customs and Excise. This industry of farm implements is one which cannot exist without farming, on which it is entirely dependent. It has had time to establish itself on solid bases, under the shield of protection, and it is certainly in a position to compete with the United States in our country, since it is able to compete with the Americans in foreign lands.

Mr. McMASTER: Hear, hear.

Mr. FAFARD (Translation): Moreover, I recall the remarks which the hon. member for Brome (Mr. McMaster) made, a few days ago, in this House, when he quoted the words of the president of the largest company manufacturing farm implements—The Massey-Harris Company—who stated that he was able to carry on without protection.

The boot and shoe industry is somewhat affected by the British preference; on the other hand, how can the manufacturers complain, when the United States market which is unlimited is open to them without any protection whatever? The working classes are not blind, Sir, and when they see manufacturers paying two dollars for a raw hide, they cannot help noticing that boots at $7 and $8 a pair represent a profit which they in no way benefit by. We, who hail from the country, all wish to see the welfare of the workman and manufacturer, as we wish for the success of the farmer. The rural districts are directly interested in industries, for it is with our small savings which automatically find their way towards the industrial centres, by means of the banking system, that most of the industries are kept alive. I might even add that it is one of the causes of the straitened circumstances of the farming class. Formerly, it was an easy matter for farmers to borrow in their own parishes; but, for several years past, money is loaned on municipal and school debentures, yes, even, on industrial debentures, which are sometimes more or less doubtful investments. This state of affairs is one more reason to state that farming is the true foundation of industry and that it was urgent to help it through the difficult crisis which it is experiencing. I, therefore, think that the banks could be more generous when it is a case of helping the farmer, and more careful than they are in their dealings with the speculator.

Some hon. MEMBERS: Hear, hear.

Mr. FAFARD (Translation): If an inventory was taken of money lost by banks in our old province of Quebec, we could establish that 99 per cent of these losses arise from money loaned to speculators who do not have —or barely so—any other security to offer, than their cleverness in obtaining funds.

When the manufacturer bewails the fate of the poorly paid workman, 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 aware that a very high tariff may have for its effect the accumulating of colossal fortunes, but it is a policy which in no way helps the revenues of the country, on the contrary, it paralyses industry which needs to be stimulated through competition. I am aware that industries which are affected by the lowering of the tariff may experience a certain set back, but this will be more than compensated by the number of small industries which will spring up, built on sound foundations, not over capitalized, and which can more easily sustain the shock of industrial crises than some of our large industries that owe their existence to the trust placed in them or even sometimes to the friendship of bank directors. It is not from want of protection that the country suffers—for it is under the protective system that our people emigrated to the United States—it is for want of population. After the war, the shell manufacturers organized so as to supply various products, consequently our manufacturers, as at present outfitted could supply a population of 25,000,000 inhabitants. This is one of the reasons which induces me to favour immigration providing it is the right kind. This policy is an excellent thing to help in decreasing out national debt, and, it will afford us the occasion of developing our natural resources, as intended by the government.

I am sorry, Sir, that I cannot agree with the statements made by the hon. Minister of the Interior (Mr. Stewart) regarding his policy for curtailing the geodetic and topographic surveys, and I trust he may somewhat alter his plans. Maps are absolutely necessary for the development of our forest and mining resources.

Mr. McMASTER (Translation): Three cheers for the surveyors!

Mr. FAFARD (Translation) The hon. minister, himself, fully knows that if he wishes to draw foreign capital to Canada his first duty is to supply maps which may induce foreigners to invest their money. A lumberman, whether he be Canadian or American would not take the slightest interest in the purchase of a limit, if he had no knowledge of the rivers which cross it and which can be utilized for the driving of logs and the development of water powers, likewise mining prospectors do not venture far into the bush without a knowledge of the various canoe routes which they can follow, and maps to enlighten them as to the geological formation; and such is the case with all other vast resources we possess, for instance the hydrographic information for the study of the water-powers. I think I have shown the necessity of these surveys which are essential to carry out the policy of development of our natural resources. I also regret to note that the eastern provinces are not given their share in the outlay of these public funds, which are expended in the West, not always on Crown lands but in a number of cases on private property. I ask the hon. minister to do us justice with reference to this matter. I would also request more protection for our forests. The provincial government does its great share and has an excellent organization which deserves our encouragement.

I am convinced that the present budget, as brought down in the House, will benefit all classes of society, and the enthusiasm with which it was received in the business centres fills us with hope for a revival of activities in trade. The time has come to give the right aspect to our policy by establishing a tariff for revenue, so that the people, being unburdened, will love their native country.

Mr. McMASTER: Hear, hear!

Mr. FAFARD (Translation): I beg of our friends in the opposition to desist in their policy of hatred and disunion and to extend their help, so as to bring back to the country, the sunny days that we knew previous to 1911, when Sir Wilfrid Laurier was at the helm of affairs in Canada.

Mr. PRESTON ELLIOTT (Dundas): Mr. Speaker, while I was sitting listening to the hon. member for West Hamilton (Mr. Stewart), there was brought to my attention a question which was asked a very prominent witness before the Banking committee last year. The answer was "I do not know what you mean or what you are asking for, but I will say no, anyway." In connection with what the hon. gentleman has just said, I shall have to say no because I did not understand what he said.

An hon. MEMBER: Why do you not say, yes?

Mr. ELLIOTT (Dundas): I may change my mind afterwards when I know what he said.

Referring to the speech of the hon. member for West Hamilton we in this part of the House found it almost impossible to hear what he said, but I understand from some who did hear him that he was quoting letters of protest against a reduction in the tariff. I

thought, if that were the case, hon. members in this corner of the chamber would require, perhaps, a week's time to read all the letters in favour of lowering the tariff. If I heard some of the things correctly, I think the reduction in the number of employees in the different factories constitutes an admission that the time is ripe for a change in our present fiscal policy.

I should like to tender my congratulations to the Acting Minister of Finance (Mr. Robb) on the deliverance of his first budget, the manner of delivery and the substance. To many of us on this side, perhaps the outstanding feature was the brevity of the speech, brevity for the reason that it did not go as far as we would wish it to go. We believe that the necessaries of life should also have been included in the cuts in the tariff, but we realize that as Rome was not built in a day, we cannot change our fiscal policy over night. If we can take the information given by the Minister of the Interior (Mr. Stewart) as the correct intimation to the manufacturers that this is the beginning of the end of protection, I think we in this part of the House will hope that that prophecy is only too true. Some of our friends to the right of us have been saying that this is no time for a tariff revision. I must take exception to that statement for this reason: We remember the year 1896, when the government which was returned to power was returned on the platform of "tariff revision downwards." The question was again fought in 1911 and again in 1921. The number of us who are sitting at this end of the chamber who were elected in 1921, were elected, perhaps, to see that the tariff policy which was being advocated by those who are to your right, Mr. Speaker, would be carried out. We find, through the press and from many speakers to the right of us here, that we are being given credit for forcing this. I am not saying or claiming that we deserve the credit; but if this is the case, we feel that we have done one of the things that the people who sent us here asked us to do. We believe that in 1921 the question of tariff revision was prominently before the people. In that connection I remember in my riding a placard or poster which was posted in some of the halls. On this poster was this:

> The Americans have passed the Fordney bill to shut out Canadian products.

The next line was:

> If the Progressives are elected to power, they will so lower the tariff bars that we shall be flooded with cheap American goods.

Those two statements are not consistent and some of the arguments that were put forward last night from that corner of the House are as inconsistent as that.

I want to touch on a few different points. I represent a constituency, in which, possibly 95 per cent of the people are engaged in dairying. The people in that constituency have been blessed with a very fertile soil. The farmers there have had the advantage of a good education, and if I do say so, I believe they are a good average class of farmers with, perhaps, above the average quality of soil. Those farmers are today in a very depressed condition due to the market value of their products. Some hon. members claim that by this lowering of the tariff the manufacturers will go out of business. I think the hon. member for Dufferin (Mr. Woods) stated in this House a few days ago the amount of capital invested in manufacturing concerns and the amount of capital invested in agriculture, and he showed that the amount invested in agriculture was almost double the amount invested in manufacturing concerns. While none of us wishes to see those manufacturing concerns go out of business, if they are up against it, I want to tell them that there are farmers in Ontario who are up against it also. In the constituency from which I come we have the Finch dairy station, a station which was started by the government. I have the report for the year 1923 which shows that each farmer sending milk to the Finch dairy station—and the report takes an average of thirty farmers—produced that year 72,918 pounds of milk. At the present time cheese is selling on the market for 13¼ cents per pound.

Mr. McMASTER: That will be the wholesale price.

Mr. ELLIOTT (Dundas): Yes. Anyone who knows anything about dairying knows that you can make about eight pounds of cheese out of 100 pounds of milk. Eight pounds of cheese at 13¼ cents a pound would give $1.06 per 100 pounds of milk. The cost of manufacture is two cents per pound. That is the price charged at the Finch dairy station, and I think that is a little below the average throughout the country; let us take the cost of manufacture at two cents per pound. So that the net return to the farmer would be 90 cents per one hundred pounds for his milk. An average farm in my constituency would be about 100 acres, and on that farm the dairyman would have twenty cows. The milk production per farm on an average, according to the report of the Finch dairy station is 72,918 pounds. The provincial average for milk production in Ontario is about 4,500 pounds per cow. Take the price of 90 cents

per 100 pounds of milk and an average of 4,500 pounds per annum and figure out what a man has on 100 acres of land to-day.

To my mind the cause of depression in the manufacturing industry is not the lowering of the tariff, but the lower purchasing power of the men who have to purchase. The average milk production in my constituency is a little above the provincial average; it is somewhere about 6,000 pounds. As I have shown, the net return to the farmer on 100 pounds of milk is about 90 cents, but let us allow him one dollar per 100 pounds which is above the milk price to-day. That would give this man $60 per annum per cow, and this at twenty cows for 100 acres would give him $1,200.

Now, I would ask the manufacturers how this man can hire help and raise his family and have anything left for the purchase of agricultural implements. It would make no difference whether the tariff on these implements was wiped off entirely, or, as some of our good friends suggested a few years ago, "placed as high as Haman's gallows." This lack of purchasing power is, to my mind, the real cause of the present industrial depression, and the budget has done one thing to help the purchasing power of the people—the lowering of taxation. I think that is one of the principal features of the budget. The Acting Minister of Finance (Mr. Robb) has told us that the lowering of taxation would mean a loss in revenue of $24,000,000. That reduction will make conditions such that the people will be in a better position to purchase the various commodities turned out by our manufacturers.

The home market has been pretty fully discussed during the course of this debate. But to the average farmer to-day the home market is a myth, unless he has some perishable truck products to sell on the local market. I am going back to my own county again where dairying is the principal industry. Along with dairying naturally goes the raising of hogs. Let us suppose that one of our farmers takes a load of twelve hogs to market. He sells them to a drover. The latter probably ships half of them to the city of Montreal and the other half are sold to local butchers. The six hogs sold on the Montreal market we will assume are purchased by a packing house and converted into bacon for export. Now, does the raiser of those hogs get any better price for the hogs which are exported as bacon over those which are consumed at home? There is no difference in price. This applies also to any other line of farm produce. We are in this position to-day, that the selling price of our agricultural products is fixed in the markets of the world where our surplus is sold. The farmer will get the price paid in those markets, minus the transportation cost. Then again he is not being fairly treated, for he has to pay more in transportation costs than anyone else in the country, simply because his product must be sold on the large markets, where the price is fixed. The farmer to-day is practically as big a buyer of finished products as anyone in town or city, and on these finished products he must also pay his share of the transportation costs. Consequently he gets it coming and going.

It is contended by some of our political friends that what the farmer needs to-day is protection in his home market. I do not think many farmers in this country will put much stock in that statement, for the simple reason if we cannot compete with the surplus of other countries in our home market, we cannot compete in the foreign market. To-day we are competing with all the countries of the world that export products similar to ours, countries such as the United States, France and so on. Now, we can and do compete with those countries right here, because they have to pay transportation costs to reach our market, and to that extent, of course, they are handicapped.

The hon. member for Parkdale (Mr. Spence) in the course of his speech yesterday made several pleas for economy. Every hon. member in this corner of the House is strongly in favour of economy. But it seems to me rather funny that the people who occupied the treasury benches for ten years did not practise economy when they had ample opportunities to do so. In this connection I have a clipping from the Victoria Times, as follows:

> Conservatives in the House of Commons are displaying an unwonted zeal for economy these days. Not having to do the cutting themselves they are keen to have somebody else do it. Last week they appeared to be displeased with the comparatively small estimate of expenditure on the Dominion observatories, and they even looked askance at the $18,500 proposed for the maintenance of the observatory at Victoria. It is unfortunate for the country that their concern for economy in the public service did not develop when they were in power.
>
> It may surprise our readers to learn that the largest increases in the public debt were made after the war by the gentlemen who have now become such zealous advocates of retrenchment. In 1919 the increase was $382,000,000 which broke all records up to that time. That increase alone was greater by $50,000,000 than the total public debt of the Dominion prior to the war. But it was a mere trifle in comparison with the increase in 1920 which was $674,000,000.

I notice that the hon. member in concluding his address appealed very strongly to

the government for an appropriation to build the Toronto viaduct. Perhaps there is some reason why the viaduct should be proceeded with without further delay. But in other parts of the Dominion people who have been asking for expenditure on federal buildings and other public works have been told that the government is trying to practise economy, and thereupon they have been big enough to back up and wait. I think the city of Toronto should also wait for the viaduct.

According to the report of his speech in Hansard the hon. member for Parkdale also said:

> What will happen if you drive your farm implement people out of Canada? They will go back to the States and say "Now, we will make you pay for your implements."

I call particular attention to the sentence, "They will go back to the States." Is that an admission by those who are trying to protect these manufacturers that so-called Canadian industries are really American? We were told that in 1921 there were about seven hundred American branch plants in this country. If this is not a slip of the tongue by the hon. member, it is an admission that these industries are not really Canadian.

A little further on, speaking of the effect of tariff reductions on the city of Hamilton, he said:

> As a result the population of Hamilton will soon be reduced from 110,000 to 50,000.

The point I would make there, Mr. Speaker, is this: None of us would like to see our cities depopulated, but it is not fair to ask the taxpayers of this country to tax themselves to keep up the population of the city of Hamilton to the 110,000 mark if the business of the country does not warrant it.

Another thing that has been touched on in this debate is the number of Canadians who are leaving this country for the United States. Many reasons are given why these boys and men and women are leaving Canada. Here is the reason given by the hon. member for Parkdale (Mr. Spence):

> Free trade would drive away our population, free trade would shut up our industries and the population would leave the urban centres.

According to the statistics available, over 200,000 Canadians left this country last year, when the protective system was in vogue which has been followed in this country since 1878. These 200,000 Canadians left this country under a moderate or adequate or high protectionist system, whatever you want to call it. If the people are leaving because of that protective system, why should we not try to keep them here by changing that system? There is no reason why the young men of Canada should go to the United States. There is no use in repeating what has been so often said about our resources and so on; to my mind the solution of the whole thing is to make Canada a cheaper country to live in. We can do that in many ways, and the first among these is the practice of economy.

As I said before, one of the principal things in the budget was the relief in taxation. If you relieve the indirect taxation by removing the tariff barriers, you will find that the people of Canada can and will compete with anyone in the world, and there is no reason why they should go to some other country.

I noticed the other day in the Ottawa Citizen an article which said:

> Mr. J. B. M. Baxter, M.P., of St John, has been impressing the Progressive visitors with the argument that the Maritime province ports are Canada's natural gateways for ocean commerce. He would like to see them more generally used, in preference to Portland, New London and Boston. Under the circumstances, it is remarkable to find Mr. Baxter voting every session in favour of maintaining a heavy toll against the shipment of cargoes from Great Britain through the Maritime province ports.

The desire of the hon. member for St. John and Albert to promote trade at the ports of Halifax and St. John meets with general approval from all quarters of the House. There is no one who wishes to do anything detrimental to either of these ports, but the argument here is that the hon. member for St. John and Albert will vote against the present budget or vote to keep protection in this country, which means that every shipload of goods which comes to the ports of Halifax or St. John is taxed before it is allowed to unload.

Mr. BAXTER: May I ask the hon. member a question? Is he quoting any statement of mine?

Mr. ELLIOTT (Dundas): I just read a clipping that I took from the Ottawa Citizen.

Mr. BAXTER: May I inquire when I began to use the Citizen as a medium for the expression of my ideas?

Mr. ELLIOTT (Dundas): Great men always get reported in the press of this country. I do not say and did not infer that the hon. member for St. John and Albert made any particular statement. But I believe it to be true, and I do not think he will deny it, that he tried to impress and did impress the Progressives while they were on their trip to the Maritime provinces with the im-

portance of the great ports of Halifax and St. John. Is that true? Is there anything wrong with that?

Mr. BAXTER: The hon. member and his colleagues saw with their own eyes the ports of Halifax and St. John and were duly impressed with them. Good wine needed no bush from me.

Mr. ELLIOTT (Dundas): I understand that hon. gentlemen in that corner of the House have had a monopoly on prophecies during the past few weeks, but I venture to make this prediction, that the hon. member for St. John and Albert will vote against the present budget.

Mr. BAXTER: Hear, hear.

Mr. ELLIOTT (Dundas): Then there is no disputing it, in view of that "hear, hear." Now, when he votes against that budget he votes to tax goods which will come into his own port of St. John.

Mr. BAXTER: May I ask my hon. friend another question? If my hon. friend votes for the budget will he not vote against the declarations of the Canadian Council of Agriculture which he came here pledged to support?

Mr. ELLIOTT (Dundas): I will answer that in this way: We were sent to this House to use our own good judgment. We stood on a certain platform and we are going to use our own methods of getting that platform put into effect.

Mr. BAXTER: You are going against it.

Mr. ELLIOTT (Dundas): If the hon. member will wait a moment I will explain my position. We did not expect that the fiscal policy of this country would be changed in a minute. We are willing to back up any government, and we would be only too pleased to back up our friends to the right if they proposed something along the line of our own platform. Unfortunately, however, they have got so far into the rut that I am afraid they will never do it.

What I have predicted about the vote of the hon. member for St. John and Albert will, I believe, be fulfilled and I maintain that that vote goes to tax goods that will come into his port. So far as we in this corner of the House are concerned we do not look upon this budget as a finality. We believe that the government in going as far as they did this year should be encouraged, but we want to make it very plain that we do not believe that this is the end, and we do not want it to be the end. When the hon. Minister of the Interior (Mr. Stewart) said that this was the death-knell of protection he voiced the sentiment of hon. members in this corner of the House. In their speeches last week the whole tenor of the remarks of some hon. members was that they were afraid that this was the beginning of the end of protection, and I hope they were prophets also. It is not so much what this budget is doing as what budgets which follow will do, and the present government will be well advised to do what the majority of the people of this country are expecting them to do, namely, make a great deal more reduction in the tariff another year.

We in this corner of the House have been taunted with having been bought and sold, with being the overflow of the Liberal party, and so on, I may say to my hon. friends that we do not believe the people put them in here as our official guardians. We will do what we think is right and the people will hold us responsible; we will go back and face our constituents and accept the responsibility.

I see that the hour for adjournment is approaching, and I shall not take up very much more of the time of the House except to say this: The people who are defending the manufacturers to-day have, of course, a perfect right to do so, but I believe that we also have a right to defend the people who sent us here. Now as far as agriculture in this country is concerned we are in this condition; unless we get relief and can find better markets for our produce the exodus from the farms of this country is going to increase instead of decrease. I am going to go a little bit further, and say that I do not believe that all the ills of the farmer are going to be cured by legislation. I believe that this lowering of the tariff is going to help us, but I believe that we must also help ourselves in the marketing of our goods. For centuries the people of this country have been learning how to produce, and for perhaps the last ten or fifteen or twenty years we have been told how to produce by people who knew no more about it perhaps than the man in the moon. We have to-day a great expense on our experimental farms along the line of greater production and my advice to the present Minister of Agriculture (Mr. Motherwell) would be to cut out a great deal of this expenditure and spend more on the development of our markets.

The hon. member for Parkdale (Mr. Spence) last night told us that he would have no truck or trade with the Yankees unless there was some money in it. I do not think it makes any difference to the people of this

country, when they want to buy goods, who makes them so long as they can get them at a satisfactory price and the goods suit them. There is no reason why the people of this country should spend one dollar in the United States unless they believe they are getting value for their money. There is a market which the people of this country in 1911 turned down, due to a campaign not appealing to the people's common sense at all, but to their passions and sentiments. That market was turned down, and the statement has been made in this House that it is now closed to us. Now I am going to give you an example of how a factory in our own district is doing business in the United States to-day in spite of the high protection they have on dairy products entering that country, and making more money for the producer than we can get in our home market. A skimming plant was started in our town, and the cream is being shipped into the city of New York. This cream has to pay a tariff rate of 20 cents a gallon. That will net the farmers in that district to-day about thirty cents a hundred more than the milk producers are getting from the local cheese factories. There is an example of how even with this high rate of duty we can make more money dealing with the United States than we can in this much lauded home market of ours.

In conclusion, I am going to say this: According to the speeches that have been made by our Conservative friends, we are being given credit for the concessions made in this budget. We are not egotistical enough to think that we have pulled them over at all, but if such is the case, we can feel satisfied that we have done something for the betterment of Canadians generally.

On motion of Mr. Hudson, the debate was adjourned .

On motion of Mr. Graham the House adjourned at 9.55 p.m.

Monday, May 5, 1924

The House met at three o'clock.

REPORT PRESENTED

Second report of the select standing committee on Banking and Commerce—Mr. Cahill (for Mr. Mitchell).

CHICAGO DRAINAGE CANAL

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to lay on the Table a return to an address, dated March 19, by the hon. member for North Toronto (Mr. Church) asking for a copy of all correspondence, petitions, protests, letters, resolutions, and other documents exchanged between the government and any person or persons or organizations, or provincial governments or other public bodies in Canada, protesting against the illegal diversion of the waters of the Great Lakes by the Chicago Drainage Commission and of any and all correspondence with the government of the United States, the Joint International Commission or others on the subject.

ST. LAWRENCE WATERWAY

Hon. A. B. COPP (Secretary of State): Mr. Speaker, I beg to lay on the Table a further supplementary return to an address by the hon. member for North Toronto (Mr. Church) asking for a copy of all memoranda, correspondence, telegrams and other documents exchanged between the government of Ontario and the Hydro-Electric Commission of Ontario and the government of Canada relating to the development of certain water powers on the St. Lawrence waterway.

UNITED CHURCH OF CANADA

Mr. L. P. BANCROFT (Selkirk): Mr. Speaker, I beg to present a petition from the Presbyterian church of Little Britain, Manitoba, asking for the passage of the bill to incorporate the United Church of Canada.

Mr. F. L. KELLY (Cape Breton North and Victoria): Mr. Speaker, I beg to present a petition from St. Andrew's Presbyterian church, Sydney Mines, N.S., signed by John A. Patterson and 790 others, and a petition from the Greenwood Presbyterian church, Baddeck, N.S., signed by J. A. McDermid and 219 others in opposition to the Church Union bill.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I desire to present a petition signed by J. Kennedy and 167 others of the Presbyterian church, Macleod, Alberta, protesting against the Church Union bill.

Mr. W. J. HAMMELL (Muskoka): Mr. Speaker, I desire to present a petition from Raymond, Ontario, signed by the Rev. J. Macartney; also a petition from the Presbyterian church of Port Sydney, signed by the Rev. J. Macartney, praying for the incorporation of the United Church of Canada.

PRIVATE BILLS

FIRST READINGS

Bill No. 67 (from the Senate), for the relief of Rilla May Freeman.—Mr. Gordon.

Bill No. 68 (from the Senate), for the relief of Jessie Maria Watchorn.—Mr. Rankin.

Bill No. 69 (from the Senate), for the relief of Walter Scott Miller.—Mr. Logan.

Bill No. 70 (from the Senate), for the relief of Harriet Bertha Wiser.—Mr. Rankin.

Bill No. 71 (from the Senate), for the relief of Esther Mary Edwardes St. George.—Mr. Chew.

Bill No. 72 (from the Senate), for the relief of Mabel Peters.—Mr. Stewart (Leeds).

Bill No. 73 (from the Senate), for the relief of William Thomas Trott.—Mr. Stewart (Leeds).

Bill No. 74 (from the Senate), for the relief of Lucy Elizabeth Smith.—Mr. Carruthers.

Bill No. 75 (from the Senate), for the relief of Florence Luella Patterson Kelly.—Mr. Ross (Kington).

Bill No. 76 (from the Senate), for the relief of Arthur Harold Mingay.—Mr. Rankin.

Bill No. 77 (from the Senate), for the relief of Isabella Guild.—Mr. Hudson.

Bill No. 78 (from the Senate), for the relief of Albert Lawrence.—Mr. Harris.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INCOME TAX

Mr. WOODSWORTH:

1. What is the amount of income tax computable from returns actually made, that is overdue and unpaid for the years 1917, 1918, 1919, 1920, 1921, 1922, 1923, respectively?

2. What proportion of income tax unpaid in each of the above years was derived from incomes of between: $1,000 and $5,000; $5,000 and $10,000; $10,000 and $25,000; $25,000 and $50,000; $50,000 and $100,000?

3. What means are used by the department for checking the accuracy of income tax returns?

4. Are the bank accounts of taxable persons open to the inspection of income tax officials?

5. Do the chartered banks make any returns to the government of the amounts on deposit to the credit of those liable for income tax?

6. Is the income tax levied at the same rate on earned income as on income derived from investments? If not, what is the difference?

Hon. Mr. ROBB:

1 and 2. No information available as taxpayers accounts are only recorded in the ledgers kept at the various district offices throughout the Dominion. From the inception of the Income War Tax Act, 1917 to 31st March, 1924, the assessments levied amounted to $267,004,599.88, while the collections, exclusive of penalties and interest, during the same period amounted to $265,228,-674.55.

3. Information is compiled covering the income of each individual taxpayer, whether such is obtained in the form of salary, revenue from estates, dividends, sales of natural products or from other sources, and is checked with the return filed by taxpayer. Should a discrepancy exist an investigation is made. In the case of businesses, whether incorporated or not, financial statements are obtained and audited, which includes, if deemed necessary, an examination of the books and vouchers at the place of business of the taxpayer.

4. Paragraph (c) of subsection two of section 8 as amended provides as follows:—

(c) Every person who, in whatever capacity acting, is in receipt of any money, thing of value, or of profits, or gains arising from any source, of or belonging to any other person shall, when required to do so by notice from the minister prepare and deliver to the minister any information required, within thirty days from the date of the mailing of such notice.

5. No.

6. No. In respect to dividends corporations are required to pay from 10 per cent to 10½ per cent on profits realized in excess of $2,000, while shareholders are only relieved from payment of normal tax.

OUTGOING FREIGHT BY UNITED STATES PORTS

Mr. MacLAREN:

1. What amounts of freight for transportation through the United States ports were carried during the year 1923, respectively, by the railways which formerly constituted: (a) Canadian Northern Railway system; (b) Grand Trunk Railway system; (c) Grand Trunk Pacific Railway system; and (d) National Transcontinental Railway system?

2. What were the names of the United States ports and the amounts of such freight each received?

Hon. Mr. GRAHAM:

1. It is impossible to say what of the export business in question originated on each of the component parts of the Canadian National system, or any one part, without examination of each way-bill involved, which, it is stated by the management, would take several months and necessitate employment of special staff.

2. Portland, Me.—	Tons
Originating in Canada..	592,445
Originating in United States..	117,415
Total..	709,860

New London, Conn.—	Tons.
Originating in Canada..	6,004
Originating in United States..	1,660
Total..	7,664

VANCOUVER GOVERNMENT ELEVATOR

Mr. COOTE:

1. What was the number of bushels of grain handled by the government elevator at Vancouver for the year ending July 31, 1923?

2. What was the handling charge per bushel on said grain?

3. What were the total receipts and total expenditure in connection with this elevator during this period?

4. What was the total cost of this elevator?

5. What was the value at which this elevator was transferred to the Vancouver Harbour Commission?

6. What changes, if any, have been made in handling charges by the Vancouver Harbour Commission, and why were these changes made?

7. How many bushels of grain have been handled by this elevator from August 1, 1923, to the end of February, 1924?

8. What were the total receipts and expenditures during this time?

9. What were the port dues on vessels receiving grain from this elevator while under operation by the Board of Grain Commissioners?

10. What charges in port dues on wheat have been made by the Vancouver Harbour Commission since this elevator was transferred to them?

Hon. Mr. COPP:

1. 34,309,172 bushels of all grains, which includes receipts and shipments.

2. Handling charges on clean grain one-half cent per bushel, grain requiring cleaning being subject to additional charges according to amount of dockage.

3. Total receipts, $203,477.96; total expenditures, $106,329.10.

4. $850,281.15.

5. $550,000.

6. The department is not aware of the tariff charged by the previous management of the government elevator before the commissioners took charge nor is the elevator operated by the commissioners on the same basis as previously. The commissioners' charge for elevating with free storage and insurance against fire for 15 days on ordinary grain, is 1 cent per bushel. There is a slight variation in these charges for special conditions of grain. The cargo rate is 1 cent per ton on all grain

[Mr. Graham.]

up to the first of September next; after that period the rate will be 6 cents per ton, which charge will provide transportation over the conveyor system and piers and also free berthage for ships loading grain cargoes.

7. 31,076,900 bushels.

8. Receipts, $392,294.08; expenditure, $200,-519.04, on operation; and on equipment necessary to make the old elevator function efficiently and in proportion to its rated capacity $59,291.98, a total of $259,811.02.

9. Harbour dues, 5 cents per net registered ton on the registered tonnage of the ship, payable five times a year only; $50 per day berthage charge on ships taking grain cargo.

10. The change, effective September 1, 1924, in the cargo rate on grain, from 1 cent per ton to 6 cents per ton. In addition, charges on the ship have been reduced from 5 cents per ton to 3 cents per ton on her net registered tonnage, payable 5 times a year (effective since the first of this year), and after September 1, the berthage charge of $50 per day for ships taking grain cargoes will be abolished.

CANADIAN NATIONAL RAILWAYS—REVENUE FREIGHT TRAFFIC

Sir HENRY DRAYTON:

1. What was the volume of revenue freight traffic during the year 1923 transferred to the Canadian Pacific Railway Company for furtherance to United States points, which traffic it is now proposed to handle by the new line from Kingsclear, a point on the St. John and Quebec Railway in the province of New Brunswick, to a point on the St. Croix river opposite Vanceboro, in the state of Maine?

2. What was the amount of freight tolls earned on such traffic in the said year (a) on lines owned by the Canadian National system (including the Transcontinental and the Intercolonial); (b) on the St. John and Quebec lines (of which tolls sixty per cent are received by the Canadian National)?

3. What additional gross revenues based on the traffic of 1923 would the Canadian National have received had the new line been built?

4. What were the operating ratios on the existing lines on which the Canadian National has carried such traffic in 1923?

5. How is it proposed to make connection with the Maine Central at the "point on the St. Croix river opposite Vanceboro"?

6. Is it proposed to hand traffic at that point over to the Canadian Pacific for furtherance over its connections, if any?

Hon. Mr. GRAHAM:

1. The tonnage of such traffic handed to Canadian Pacific Railway during 1923 was 187,909 tons and tonnage received during same period from Canadian Pacific Railway was 8,419 tons making a total of 196,328 tons.

2. (a) Canadian National earnings on above traffic were $321,606.65. (b) The St.

John & Quebec Railway earnings were $53,-255.69 of which the Canadian National retain 60 per cent.

3. The Canadian National would have received one hundred per cent of the the tonnage shown in reply to Question 1 and additional revenue amounting to $246,917.33.

4. Railway accounting methods do not permit of this information being obtained.

5. Not yet known, as question will depend on running rights over Canadian Pacific Railway.

6. No; traffic will be handed to the Maine Central Railway.

TICKET OF LEAVE ACT

Mr. CASGRAIN:

1. How many former convicts, within the last five years have benefited by the Ticket of Leave Act?

2. What was their criminal record?

3. What was the last offence for which they were convicted?

Hon. Mr. LOW:

1 and 3.

Prisoners Liberated on Ticket of Leave and Class of Offence for which Imprisoned 1918-1922

Class of Offence	1918	1919	1920	1921	1922
Assault, all kinds	53	54	36	43	52
Shooting, stabbing and wounding	23	15	19	9	10
Bigamy	11	9	3	12	3
Rape and attempt	10	2	6	6	14
Seduction, carnal knowledge and incest	15	22	16	13	24
Murder	1	2	6	1	3
Attempt. to commit murder	7	9	5	2	6
Manslaughter	17	13	9	18	20
Other offences against the person	29	35	27	14	27
Burglary, shop and house breaking	90	126	118	153	207
Robbery	10	17	22	22	36
False pretences	20	15	26	27	39
Fraud	7	7	10	8	9
Theft and receiving stolen goods	243	320	307	369	410
Horse and cattle stealing	20	16	18	1	19
Arson and other malicious offences against property	10	13	12	10	17
Forgery and offences against the currency	23	29	26	41	74
Offences against revenue laws	..	9	3	6	41
Prison Breach and Escape from custody	12	10	11	10	22
Vagrancy and drunkenness	29	30	15	27	34
Bawdy house keepers and inmates	13	13	17	1	5
Various other offences	60	74	39	54	110
Total	703	840	751	847	1,182

2. Statistics not available.

"THE POPE LEASE"

Mr. IRVINE:

1. What consideration or compensation was paid to the holders of what is known as "The Pope Lease" on Knee Hill Creek, near Carbon, Alberta, when they gave up their lease so that the land would be taken over by the Soldier Settlement Board?

2. How many more years had the lease to run?

3. What was the area in acres of the said lease?

4. What was the minimum number of cattle that the holders of said lease were compelled to graze thereon to hold said lease?

5. Is it a fact that the holder of said lease had the option of purchasing any or all of the said leased land at $3 per acre, or what was the figure for which the land in question could have been purchased?

6. How much land of this lease was so purchased, and on what dates, and amounts paid?

7. Did the lessee have the required number of cattle in each and every year to hold said lease?

8. At what rate was the raw prairie land sold to the returned soldiers through the Soldier Settlement Board?

Hon. Mr. COPP:

1. $27,000.

2. From November 29, 1919, the date upon which the lease was cancelled to February 1 1924, the date upon which the lease would have expired.

3. 23,879 acres when granted, and 15,250 acres when cancelled.

4. At the end of three years the lessees were obliged to have one head of stock at least one year old for every twenty acres held.

5. The lease did not contain any provisions for the purchase of the leasehold or any portion thereof by the lessees.

6. By Order in Council of the 12th May, 1919, P.C. 969, authorizing the sale to members of the West View Ranch Company, Limited, of certain of the lands lying within the limits of the grazing ranch (1,631.8 acres) disposed of for the sum of $20,691.53, being at the rate of $10 an acre with accrued interest. This sale was the result of an application previously submitted under the provisions of the former coal mining regulations.

7. The lessees furnished stock returns yearly from 1906 to 1916, both inclusive, with the exceptions of 1907 and 1914, showing that they had much more than the required number of stock on their leasehold.

8. The land was divided into farm units, each containing from 160 to 320 acres, depending on the character of the soil and the value of the units for agricultural purposes. These units were sold at prices varying from $2,600 to $4,800, or, approximately, $19.90 per acre.

CANADIAN NATIONAL RAILWAYS—TORONTO PROPERTY

Mr. BOYS:

With reference to the Canadian National building at the corner of Yonge and King Street, Toronto, what was the cost during the year ending March, 31, 1924, of (a) repairs; (b) heating; (c) general up-keep; (d) cleaning and janitor service?

Hon. Mr. GRAHAM:

(a) Repairs	$ 2,541 86
(b) Heating	3,327 22
(c) General up-keep	1,067 52
(d) Cleaning and janitor service	8,106 58
Total	$15,043 18

CANADIAN GOVERNMENT MERCHANT MARINE —AUTOMOBILES EXPORTED

Mr. MacLAREN:

What ships of the Canadian Government Merchant Marine were employed in carrying automobiles from New London, Connecticut, overseas in 1923?

Mr. GRAHAM: Canadian Constructor, Canadian Ranger and Canadian Miller.

CANADIAN NATIONAL RAILWAYS—AUTOMOBILES EXPORTED

Hon. Mr. BAXTER:

1. During the year 1923, how many automobiles were carried to New London, Connecticut, for export shipment, and during what months were they so carried?
2. What was the point of origin of such automobiles and by what routes were they carried to New London?
3. Who were the shippers of said automobiles and what routing instructions did they give with respect to said automobiles?
4. What was the overseas destination of said automobiles?

Hon. Mr. GRAHAM:

1. Record of shipments is in carload quantities; number of automobiles not ascertainable.

2. Walkerville, Ontario; London, Ontario, and Oshawa, Ontario; also certain American points; shipments routed via Canadian National railways and Central Vermont.

3. It is not considered fair to Canadian National railways to publish names of shippers. The business was handled during winter months and the shippers specifically routed the traffic as forwarded for seasonal reasons.

4. Australia and New Zealand.

CANADIAN NATIONAL RAILWAYS—MR. E. A. FIELD

Mr. HANSON:

1. Is E. A. Field in employ of the Canadian National Railways?
2. If so, what position does he hold?
3. What is his salary, and what were his expenses for 1923?
4. Is his expense account audited and approved before payment?
5. If so, by whom?
6. Is he given an advance for current expenses?
7. If so, how much?
8. How many acres of land did he sell in 1923 in the United States?
9. What was the average cost for selling each acre?
10. Was any commission paid for selling the land?
11. If so, to whom were the commissions paid?

[Mr. Boys.]

Hon. Mr. GRAHAM:

1. Yes.
2. Land Commissioner.
3. Such information is not divulged by the management.
4. Yes.
5. Auditor, Land and Townsite Department.
6. No.
7. Answered by No. 6.
8. 1,440 acres.
9. 75 cents per acre.
10. Yes, $383.20.
11. N. E. Mahoney, Tisdale, Sask; $125.60 on 160 acres. L. Wreede, Wadena, Sask., $257.60 on 320 acres.

CANADIAN NATIONAL RAILWAYS—SUPPLIES

Mr. HANSON:

1. Does the Canadian National Railways purchase railway supplies from the Canada Supply Company?
2. If so, how much in value was purchased from said firm in the year 1923?
3. Who composes the said firm?

Hon. Mr. GRAHAM:

1. The management state that the Canadian National Railways have not purchased any railway supplies from the Canada Supply Company, and no firm of this name is known to the railway.
2. Answered by No. 1.
3. Answered by No. 1.

CANADIAN NATIONAL RAILWAYS—BRITISH EMPIRE EXHIBITION

Mr. DOUCET:

1. What are the names of the representatives of the Canadian National Railways from Canada at the British Empire Exhibition?
2. What are the respective positions and addresses of said representatives?
3. Has a representative been sent from the Atlantic region?
4. If not, why?

Hon. Mr. GRAHAM:

1. Mr. W. Stapelton, Mr. Percy Cotton.

2. Mr. W. Stapelton, district passenger agent, Saskatoon, Sask.; Mr. Percy Cotton, sleeping and dining car inspector, Winnipeg, Man.

3. No.

4. The officials named will represent the Canadian National Railways as a whole, not one particular region.

C.P.R. TELEGRAPH—ST. JOHN-HALIFAX

Mr. STANSELL:

1. Does the Canadian Pacific Railway Company pay for its telegraph line which runs over the Canadian National Railway right-of-way from St. John to Halifax, and from Truro to Sydney?
2. If so, what is the amount?
3. If not, why not?

Hon. Mr. GRAHAM:

1. No.

2. Answered by No. 1.

3. The question of rental has been the subject of negotiation with the Canadian Pacific Railway Company, who have recently been notified that they must pay or make other arrangements. They have agreed to pay and the amount of rental is now under consideration.

HALIFAX OCEAN TERMINALS

Hon. Mr. STEVENS:

1. What amount of money was expended on the construction of the Halifax ocean terminals from the year 1911 to December 31st, 1921?

2. What amount of money has been expended on said terminals since January 1st, 1922?

3. What is the total expenditure to date?

4. What further expenditures are contemplated by the government?

Hon. Mr. GRAHAM:

1. $16,645,879.56.

2. $379,552.53.

3. $17,025,432.09.

4. $8,000 in 1924 for laying double floor in shed No. 25.

DEPUTY MINISTERS

Mr. SEGUIN:

1. What is the name, salary and date of appointment of the deputy ministers of the departments of Immigration, Indian Affairs, Customs, Post Office, National Defence, Labour, Interior and Agriculture?

2. What is the number of employees in each of the above departments, including both the Inside and Outside Services?

3. What is the amount of the expenditure controlled by each of the above departments?

Hon. Mr. COPP:

Department of Immigration and Colonization—

1. William J. Egan; salary $6,000 per annum: date of appointment, October 10, 1923.

2. 978.

3. $4,321,035 for 1923-24.

Department of Indian Affairs—

1. Deputy Superintendent General, Duncan C. Scott; salary, $6,000; date of appointment to the service, December 15, 1879; date of appointment as deputy superintendent general, October 11, 1913.

2. Number of employees, inside service, 78; number of employees, outside service, 957; total, 1,035.

3. Consolidated Fund, 1923-24, $3,830,978.70; Indian Trust Fund, capital, $11,931,386.74; Indian Trust Fund, interest, $1,209,294.76.

Department of Customs and Excise—

1. R. R. Farrow; salary, $8,000; permanent appointment, June 1, 1884; appointed deputy minister, July 1, 1919.

2. Outside service, 3,650; inside service, 304; total, 3,954.

3. $24,661,068.03.

Post Office Department—

1. Louis Joseph Gaboury; salary, $6,000; date of appointment, 28th December, 1899.

2. 34,935.

3. $31,180,814.40.

Department of National Defence—

1. G. J. Desbarats; salary, $8,000. Appointments, Marine and Fisheries, November 4, 1909; Naval Service, May 5, 1910; National Defence, April 1, 1924.

2. Civil Employees, 1,304; permanent (Military Force), 3,642; Royal Canadian Navy, 425; Royal Canadian Air Force, 358; total, 5,729.

3. Nineteen and one quarter millions of dollars.

Department of Labour—

1. Mr. H. H. Ward; salary, $6,000; appointed to the civil service, February 1, 1911.

2. 153, including 58 part time Labour Gazette correspondents.

3. $2,957,762.94 in the fiscal year 1923-24.

Department of the Interior—

1. W. W. Cory; salary, $8,000; appointed December 31, 1904.

2. 2,495, including 440 seasonal.

3. Fiscal year 1923-24, $7,853,265.27.

Department of Agriculture—

1. Dr. J. H. Grisdale; salary, $5,500 and use of residence; first appointment in department, February 1, 1899; appointed deputy minister, April 1, 1919.

2. 1,597 (January, 1924).

3. Expenditure 1923-24, $8,194,785.05.

D.S.C.R.—AUTOMOBILE INSURANCE

Mr. JACOBS:

1. What amount of motor insurance is carried on property handled by the Department of Soldiers' Civil Re-establishment?

2. What is the sum paid out annually for premiums for the carrying of such insurance?

3. Did the firm of Lougheed and Taylor of Calgary act in the placing of the above insurance?

4. Is the firm of Lougheed and Taylor still acting for the government as brokers in the above business?

Hon. Mr. BELAND:

1. The only form of automobile insurance carried by the Department of Soldiers' Civil Re-establishment is "Property damage and personal liability" insurance. This covers, in respect of each automobile:—

(a) Liability for bodily injuries or death:
(a) One person .. .. $ 5,000.
(b) One accident $10,000
(b) Liability for damage to property of others:
One accident $1,000

2. During the period May 25, 1923, to May 1, 1924, inclusive, $1,438.

3. No.

4. Answered by No. 3.

TRAIL AND ANYOX SMELTERS

Mr. BLACK (Yukon):

1. Do the smelters at Trail and Anyox, British Columbia, receive any assistance by way of bonus, grant or otherwise from the Dominion government?

2. If so, what are the details of same?

Hon. Mr. COPP:

1. No, not yet, but the smelter at Trail will avail themselves of the copper bounties on bars only as soon as their plant is completed.

2. The bounties which may be authorized by the Governor in Council under the Copper Bounties Act of 1923, on copper bars manufactured in Canada and sold for consumption therein, from copper produced in Canada from ore mined in Canada, during the periods and at the rates following, that is to say:

From the twelfth day of May, 1923, to the thirtieth day of June, 1924, both inclusive, one and one-half cents per pound;

From the first day of July, 1924, to the thirtieth day of June, 1925, both inclusive. One and one-fourth cents per pound;

From the first day of July, 1925, to the thirtieth day of June, 1926, both inclusive, one cent per pound;

From the first day of July, 1926, to the thirtieth day of June, 1927, both inclusive, three-fourths of one cent per pound;

From the first day of July, 1927, to the thirtieth day of June, 1928, both inclusive, one-half of one cent per pound.

The sum to be paid as such bounty shall not exceed two hundred thousand dollars in any one of the said periods.

ST. ANDREWS LOCKS

Mr. BANCROFT:

1. What was the total cost of St. Andrews locks and dam?

2. What has been the cost of maintenance each year up to March 31, 1924?

3. What tonnage has passed through the locks during this period?

4. Does the government derive any revenue from St. Andrews Locks?

5. If so, what amount of revenue has been received?

Hon. Mr. COPP:

1. $1,626,619.51.

[Mr. Béland.]

2.

1910-11	$10,000 93
1911-12	11,088 09
1912-13	14,042 40
1913-14	13,779 39
1914-15	14,817 96
1915-16	24,795 43
1916-17	17,050 46
1917-18	14,179 27
1918-19	13,605 40
1919-20	18,084 07
1920-21	24,414 73
1921-22	23,053 56
1922-23	22,594 50
1923-24	22,901 08

3.

Year (Season of Navigation)	Vessel Tonnage	Freight Tonnage
1910	44,887	8,283
1911	111,437	47,135
1912	210,973	95,549
1913	199,278	81,295
1914	106,044	42,013
1915	97,710	21,982
1916	58,934	13,438
1917	26,093	7,174
1918	28,062	4,640
1919	25,499	3,763
1920	26,367	5,775
1921	27,514	6,231
1922	46,524	25,387
1923	50,498	37,364

4. No .

5. Answered by No. 4.

YUKON TELEGRAPH SYSTEM

Mr. BLACK (Yukon):

1. What was the cost of maintaining Yukon telegraph system within Yukon territory from and including Tagish, Yukon territory, north to and including Forty Mile, Yukon territory, during the year ending March 31, 1923, including salaries and all expenses, but not including any expense in connection with any office or part of the line south of Yukon territory?

2. What was the cost of maintaining Yukon telegraph system main line only from Ashcroft, British Columbia, to Tagish, Yukon territory, during same period?

3. What was the cost of maintaining the office of the superintendent of Yukon telegraph system at Vancouver, British Columbia, including salaries and all expenses during same period?

4. What was the cost of maintaining each branch line from Yukon telegraph main line outside of Yukon territory for same period?

5. What was the cost of maintaining Yukon telegraph system from the point at which it intersects the telegraph line of Grand Trunk Pacific or Canadian National Railway at or near Fort Fraser, British Columbia, and parallels said railway telegraph line to Prince Rupert, British Columbia, during same period?

6. What was the cost of maintaining Yukon telegraph system outside the boundaries of Yukon territory including main line and all branch lines and offices outside of Yukon territory charged to Yukon telegraph system during same period?

7. What was the revenue from Yukon telegraph system during same period?

8. What was the revenue from messages sent and delivered within British Columbia during same period?

9. What was the revenue during same period on said system from messages (a) sent and delivered within Yukon territory; (b) sent within Yukon territory and delivered elsewhere; (c) sent from points outside Yukon territory and delivered within Yukon territory?

Hon. Mr. KING (Kootenay):

1. $41,858.94.
2. $130,294.11.
3. $12,055.08.
4.

	Maintenance
Ashcroft-Highland Valley Branch	$ Nil
Ashcroft-McKennais	Nil
Ashcroft-Savona	29.46
Ashcroft-Lillooet	2,065.88
Lillooet-Lytton	360.16
Lillooet-Bridge River	Nil
Clinton-Gang Ranch	2.32
100 Mile House Canim Lake	Nil
150 Mile House-Bella Coola	5,919.23
150 Mile House-Quesnel Forks	431.09
Quesnel-Barkerville	1,288.40
Vanderhoof	972.75
Stuart Lake-Fort Fraser	58.49
Burns Lake-Francois Lake-Ootsa	186.62
North Bulkley-Ootsa Lake	76.56
New Hazelton-Skeena Crossing	Nil
New Hazelton-Silver Standard	Nil
Queen Charlotte Islands Line	7,727.96
Hazelton-Prince Rupert	34,743.94
Prince Rupert-Port Simpson	895.86
Prince Rupert-Digby Island	Nil
Terrace-Stewart	16,598.62
	$71,356.44

5. $51,114.26.
6. $213,705.63.
7. $100,541.25.
8. $63,164.68.
9. (a) $4,548.54; (b) $8,193.89; (c) $6,095.94.

HARBOUR DEVELOPMENT—VANCOUVER, TORONTO, MONTREAL, QUEBEC

Mr. CHURCH:

What amount has been spent by the municipalities concerned on works of development in each of the following ports—Vancouver, Toronto, Montreal and Quebec, and what sums by the government for the past 15 years?

Hon. Mr. COPP:

Department of Marine and Fisheries—

By the following Harbour Commissions with government advances:—

Montreal	$24,386,837.30
Vancouver	7,902,808.45
Quebec	7,735,040.50
Department of Public Works—	
Vancouver harbour	$4,406,705.32
Toronto harbour	8,507,841.71
Montreal harbour	42,291.06
Montreal dry dock (subsidy)	1,050,629.99
Quebec harbour	3,103,816.79
Levis	837,971.50
Champlain dry dock	4,241,147.78
Lorne dry dock	474,737.73

DR. W. A. MACDOUGALL

Mr. DOUCET:

1. Did Dr. W. A. MacDougall, agent and doctor of the Indians at Seven Islands, district of Saguenay, resign or was he dismissed?

2. What was his annual salary as doctor and agent of these Indians?

3. If a successor was named, who was he?

4. Who recommended the nomination of this person?

5. What is the salary or remuneration of the new appointee?

Hon. Mr. STEWART:

1. Dr. MacDougall was dismissed.
2. $1,500 as Doctor; $575 as Agent.
3. L. H. Michaud, M.D.
4. Dr. Michaud was appointed by the Civil Service Commission.
5. $1,500 as doctor; $575 as agent.

GREENER'S COVE WHARF

Mr. HANSON:

1. What is the present condition of the government wharf at Greener's Cove, Sydney mines?

2. How much money was spent on it during the fiscal year 1923?

3. Was the work done by contract or by day labour?

4. Was the contractor or foreman in charge of work a wharf builder or a butcher, and by whom was he recommended?

5. From whom were the materials used in connection with this wharf purchased?

6. Where was the ballast taken from, who supplied it, and at what cost?

7. Who owned the boat or boats that carried the ballast and what was the hire or contract with such boats?

8. Was there tenders called for this work, and if not, why?

9. Could not ballast be supplied direct from vessels carrying it to the harbour for a much less cost?

Hon. Mr. KING (Kootenay):

1. It is in need of repairs.

2 and 3. $4,626.89 expended by day's labour fiscal year 1923-24.

4. Competent foreman employed; nature of his usual occupation unknown; recommended by Mr. F. C. Kelly, M.P.

5. Logs and lumber, James Dunlop, James Cann; iron, Musgrave & Sons, F. A. Bell & Son; ballast, Dennis Lamie, James Cann.

6. Part lightered from vessels, part from Ballast Harbour, North Sydney; supplied as follows: Dennis Lamie, 1,310 tons at 50 cents, $655; James Cann, 871 tons at 50 cents, $435.50. Vessels from which ballast ob-

tained: Tug Maggie M, James W. Gordon, registered owner; schooner Garfield, P. Rive, registered owner; schooner Alama, not registered; schooner Florence, owner not known; schooner Hopedale, owner not known.

7. Ballast supplied from schooners Hopedale, Florence, Garfield and Alama, and tug Maggie M., 50 cents per ton paid.

8. No, because the district engineer reported that the work could be more economically and expeditiously performed by day labour.

9. No, there was not sufficient room at the site of the work to permit storage of ballast. Even had there been room to store ballast it would have necessitated one additional handling.

GEORGE MALECK

Mr. DOUCET:

1. Did George Maleck, Indian resident at Seven Islands, in the county of Saguenay, in the course of the year 1923, receive from the government or its agents the right to repair houses for the Indians of Seven Islands?

2. If so, in what month did he work, and how much did he receive per month for this work and for the materials furnished?

Hon. Mr. STEWART:

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

R. E. BEATTIE

Mr. SPENCER:

1. What salary is R. E. Beattie receiving, as superintendent at Vancouver harbour?

2. Is he also harbour commissioner, and if so, what salary does he receive for this position?

3. Is it one of the duties of the Harbour Board commissioner to supervise the work of the harbour superintendent?

4. Has the cargo harbour rate at Vancouver of six cents per bushel been definitely fixed and confirmed by the Department of Trade and Commerce, and if so, will this rate come into effect before September 1, 1924?

Hon. Mr. CARDIN:

1. $4,000.

2. Yes, $4,000.

3. The following resolution of the Harbour Board defines the duties of the superintendent, and is the basis on which he was appointed; "It is the opinion of the board that a general superintendent should be appointed under the board, whose duties shall be to supervise and co-ordinate the work of all departments and who shall be responsible to the board that their instructions and policy are efficiently carried out."

4. No.

[Mr. J. H. King.]

B.C. POST OFFICES—REVENUE

Mr. NEILL:

What was the gross revenue of the following post offices in British Columbia for the fiscal year ending March, 1924—Courtenay, Union Bay, Ashcroft, Ladysmith, Port Alberni?

Hon. Mr. STEWART (For the Postmaster General):

Courtenay, B.C., $8,088.82; Union Bay, B.C., $2,302.18; Ashcroft, B.C., $4,103.25; Ladysmith, B.C., $8,059.40; Port Alberni, B. C., $6,253.63.

QUEBEC AND LAKE ST JOHN RAILWAYS

Mr. LAVIGUEUR:

Has the board of management of the National Railways the intention of reimbursing the amount of $650,000, subscribed by the corporation of the city of Quebec, for the construction of the Canadian Northern and Quebec and Lake St. John railways, which, at present, form part of the National Railways?

Hon. Mr. GRAHAM: So far as the government is aware, this matter has not yet been considered by the board of management of the National Railways.

CANADIAN PACIFIC RAILWAY—GRAIN HAULED

Sir HENRY DRAYTON:

1. How many tons of grains and grain products did the Canadian Pacific railway haul in western territory to the head of the lakes during the calendar year 1923?

2. In making this haul, what was the resultant total of tons of this traffic carried one mile?

3. What was the average length of haul of this traffic?

4. What additional total gross revenues would have been earned had this traffic been carried under existing rates on similar traffic in the United States?

5. How many tons of grain and grain products did the Canadian Pacific railway haul in western territory to Vancouver in the year 1923?

6. In making this haul, what was the resultant total of tons of this traffic carried one mile?

7. What was the average length of haul of this traffic?

8. What additional total gross revenues would have been earned had this traffic been carried under existing rates on similar traffic in the United States?

9. What was the total percentage of grain and grain products hauled in western territory to the entire tonnage of that territory in 1923?

10. What percentage of the entire ton-mileage in the western territory in the year 1923, did the carriage of grain and grain products entail?

11. What was the percentage of the total revenue earned in western territory in 1923 by the carriage of grain and grain products?

12. What was the average rate per ton-mile earned by such traffic in said territory and year?

Hon. Mr. GRAHAM: The information sought here must be given by the Canadian Pacific Railway Company; it is not in the possession of the Department of Railways. However, I will write to the Canadian Pacific Railway Company and ask if they can give these details for the benefit of the House.

QUESTION PASSED AS ORDER FOR RETURN

CIVIL SERVICE APPOINTMENTS

Mr. SUTHERLAND:

1. How many appointments have been made by the Civil Service Commission, inside and outside, in the year 1922?
2. How many of such appointments were made in 1923?
3. How many of such appointments have been made in 1924?
4. How many increases in salary (outside of statutory increases) have been made in the civil service, inside and outside, since December 29, 1922?
5. How many requisitions have been made to the Civil Service Commission for new appointments to the civil service since December 29, 1922?
6. Of these requisitions, how many have been made in the months of January and February, 1924?
7. What is the total amount in annual salary of the new appointments to the civil service since December 29, 1922?

CANADIAN NATIONAL RAILWAYS—TIES

Mr. CHAPLIN:

For a copy of all letters, papers, reports and other documents relating to the purchase of railway ties by the Canadian National Railways or any of its officials, including correspondence with the firm or firms from which the said ties were purchased, reports on the price or prices of same, and also returns and vouchers showing the cost of all creosoting plants either under construction or completed by the Canadian National Railways, during the year 1923.

Mr. GRAHAM: This motion has been on the order paper for quite a time, and my hon. friend and I were to have had some consultation in regard to it. We do not seem to have had that, and I would suggest that we let this motion pass. I know my hon. friend will not be unreasonable, and for my part I will bring down all that can rightly be brought down under the order.

Motion agreed to.

UNOPPOSED MOTIONS FOR PAPERS

DUMPING DUTY

Mr. BOYS:

For a copy of an order in council or orders or regulations of the Minister of Customs affecting valuations for the purpose of assessing dumping duty.

CANADIAN NATIONAL RAILWAYS—LAND DEPARTMENT, WINNIPEG

Mr. HANSON:

For a return showing all financial statements made by E. A. Field, Land Commissioner, Canadian National Railway Company, Land Department, Winnipeg, Manitoba, in reference to land sales for the years 1922 and 1923, showing the amount of cash received and disbursed and showing all expenses, with a list of employees' salaries, expenses, commissions paid, rentals and net profit or loss.

DR. L. H. MICHAUD

Mr. DOUCET:

For a copy of all correspondence exchanged between the government and all persons whomsoever on the subject of the nomination of Dr. Michaud as doctor and agent for the Indians at Seven Islands, county of Saguenay, including (a) copy of all instructions given him on the subject of the purchase of provisions and merchandise necessary to the reserve, (b) copy of all instructions given him on the subject of patronage in his district, (c) copy of all tenders obtained from different merchants for the merchandise necessary, (d) list of merchandise purchased, and the names of the vendors and the prices paid up to December 1st, 1923, (e) copies of all instructions given the agent authorizing him to make advances to certain Indians with guaranteed privilege on their furs, without notifying the public.

YUKON TERRITORY—MAIL

Mr. BLACK (Yukon):

For a copy of all letters, telegrams, documents and correspondence since January 1st, 1923, between the Postmaster General, acting Postmaster General, any official of the Post Office department, any other minister or official of the government and other persons concerning the carrying of His Majesty's mail between Whitehorse and Dawson, Yukon territory, for the winter of 1923-1924 and for the winter of 1924-1925.

SCRIBE HOTEL, PARIS

Sir HENRY DRAYTON:

For a copy of all papers, reports, valuations, letters, receipts, vouchers and any other documents relating to the different transfers of the Scribe Hotel, Paris, France, and its purchase, including copies of instructions given to the Deputy Minister of Railways and his reports to the minister; also a return of all letters, papers, reports, estimates and other documents relating to the renovation and repair of the said hotel.

WALKERVILLE—ENSENADA WHISKY SHIPMENT

Mr. HOCKEN:

For a copy of all the correspondence and other documents relating to a shipment of whisky from Walkerville, Ontario, to one Watson, Ensenada, Mexico, and the cancellation of the bond given in connection therewith.

VANCOUVER HARBOUR

Mr. SPENCER:

For a copy of the contracts between Vancouver Harbour Commissioners and the Pacific Construction Company, with respect to: (a) reconditioning of elevator number 1; (b) annex to elevator number 1; (c) construction of elevator number 2; (d) completion of elevator number 3, otherwise known as the Woodward elevator. Also particulars of the contract between the harbour commissioners and any company with respect to the leasing of the number 3, or Woodward, elevator.

ABRAHAM NOONAN

Mr. CHAPLIN:

For a copy of all correspondence, letters and other documents, received by or sent from the Post Office department or any other department of the government with regard to the dismissal of Abraham Noonan as postmaster at Albany, Prince Edward Island. If an investigation was held, a copy of the evidence and the investigator's report.

BUSINESS OF THE HOUSE—FORM OF MOTIONS FOR RETURNS

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): An answer or rather a comment made by the Minister of Railways (Mr. Graham) on the first motion called this afternoon impels me to bring to the attention of the House a practice into which the government have fallen, and which, I think, is not in compliance with a proper procedure or, indeed, at all a dignified treatment of parliament. I refer to the practice of permitting motions to pass, and then not complying with them as passed. I am not asking that all the information called for by this motion, for example—and others may be used equally well as examples—should be brought down, I am not arguing that the motion itself as written should pass; but I do say that if the government permit the motion to pass then they should comply with its requirements. If the government feel that the motion should not pass they should take the responsibility of specifically amending it, or making a definite reservation—no other course, to my mind, is justified. There have been cases where motions have passed this House calling for the production of certain information, the government not taking the responsibility of objecting. They permitted the motions to pass but took no responsibility; then, when the return was made the government said it was not in the public interest to give the information asked for. It is unnecessary to add that this is merely treating parliament with contempt. The government, I submit to you, Mr. Speaker, should take their stand on each motion on its merits. If they desire to have the motion amended they should take the responsibility; and then when the motion passes it should be complied with in the form in which it passes.

AGRICULTURAL CREDITS

On the Orders of the Day:

Mr. M. N. CAMPBELL (Mackenzie): I should like to ask the Acting Minister of Finance if it is the intention of the government to submit Dr. Tory's report on agricultural credits to any select standing committee of the House for consideration, or to appoint a special committee to consider it?

Hon. J. A. ROBB (Acting Minister of Finance): It has been suggested that the report might with profit be submitted to the committee on Banking and Commerce. We will be able to give my hon. friend a definite reply to-morrow, or next day, as to what disposition will be made of the report.

THE BUDGET

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

The House resumed from Friday, May 2, the debate on 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 Mr. Woodsworth.

Mr. A. B. HUDSON (South Winnipeg): Mr. Speaker, the statement of the Acting Minister of Finance has been justly praised for its clearness and brevity. The statement brings directly before us for consideration the most difficult of Canadian problems, a problem which must sooner or later be settled and settled rightly, or the consequences will be most disastrous. It has been said that the proposals mentioned involve a very direct departure from the policy which has hitherto prevailed. Assuming that to be correct, it is necessary for us to consider whether or not the proposals are consistent with the expressed will of the people, and if so whether they are wise in themselves. The minister makes a number of specific proposals in the way of reduction of taxation, and then states the general principle upon which he has proceeded. We are not at present concerned so much about the specific proposals as about the general principle. This general principle he has stated towards the end of his remarks, and as it has not been quoted for several days I will take the liberty of again reading it. The Acting Minister of Finance said, as reported at page 1218 of Hansard:

> We have certain basic industries, upon the success of which depend the growth of all other industries, and the greater development of our trade. Of these basic industries, I would place agriculture, in all its varied branches, first. Next to agriculture, I would place our forests, our minerals and our fisheries. A real national policy is a policy that will encourage the growth and development of these basic industries.

And then, Sir, a little lower down the Acting Minister of Finance is reported to have said:

> In that belief, Sir, we submit to-day proposals to lighten the burden of taxation on these primary basic industries.

Now, let us inquire whether the policy thus proposed is or is not consistent with the will of the people. During the election campaign of 1921, and indeed for a number of years before that the Liberal party—both inside of the House and out—proclaimed their

adherence to a policy of lowering the tariff, and particularly on the implements of production of the basic industries. That policy was very distinctly outlined in a resolution which was proposed to the House by the member for Brome (Mr. McMaster) in the session of 1919. He was then supported not by all the Liberal members but a great majority of them. In 1919 the supporters of the Liberal party met in convention and adopted a platform which incorporated that principle. Again in the session of 1920 and the session of 1921 resolutions were presented to the House, and supported by practically all of the Liberal members, and they involved the same principle. So much for the Liberal party. Now, the Progressive party who presented themselves for the first time in the election of 1921 were even more emphatic in their demands for a lowering of the tariff, and they too paid special attention to the duties on the implements of production. The Conservative party took the attitude which they still take. They are consistent in taking the view that a protective policy is vital to the interests of Canada, and it is not unfair to say that before the people at that election they were regarded as a high protectionist party; they might disclaim that but they were so regarded by the electorate. Now, at this election, a few more than two millions of people voted for the Liberal and Progressive candidates combined, and a few less than one million voted for the Conservative candidates. It would not be fair to say that all of those who voted for Liberal candidates approved of the declared policy of the party, because as we have heard from the hon. member for St. Lawrence-St. George, and as we may hear from several other members on this side, they expressly disclaimed any desire to disturb the existing tariff and either expressly or impliedly disclaimed approval of the Liberal platform. But there were not many of these members, as far as my knowledge goes, and in fact if we make a very generous allowance for the people who voted for candidates holding these views among the Liberal party, there would still be an immense majority of the electors who must be taken to have approved of a policy of lowering or obliterating the duties on implements of production in the basic industries.

The facts that I have stated seem to me to show beyond question that there is no lack of consistency in the action of the government so far as the will of the electors is concerned; in fact, I think that the government would have been liable to most severe criticism if they had failed to proceed along the lines that they now propose to follow. When a government comes into office it is seldom able to fulfil all of its pre-election promises, but in all good faith it is bound to do all in its power to implement all such promises as are of a fundamental character.

The merits of the proposals of the government have been subjected to a great deal of discussion. Most that can be said for and against them has been said, and very little is left open to me that has not already been touched upon. In the first place, I would like to make some reference to a number of letters which were read the other night by the hon. member for West Hamilton (Mr. Stewart). He read letters which seemed to indicate that the manufacturers of the city of Hamilton were in a very depressed and unhappy condition, because they conceived that the present budget was going to destroy the industries of their city. A copy of the Hamilton Spectator of Friday, April 25, has been placed in my hands. In this paper, which was published about two weeks after the budget was brought down, appears an article of considerable length, which reads in part:

> New industries have decided to establish here.
> Industrial commissioner secures two for city.
> And has prospects of landing some others.
> Prospects brighter this year than for long time.
> Representatives of two other large manufacturing concerns, one an American company and the other a Canadian firm, were in consultation with Industrial commissioner, Kirkpatrick, yesterday afternoon, but while they were favourably inclined to Hamilton as a location for their industries, arrangements were not yet completed. One requires—

And so forth. I will not take up time reading the article, but it indicates that there are at least cross currents in the good city of Hamilton.

I would like to refer to another matter that has been mentioned by a number of hon. members this year and last year—the statement that it is desirable that Canada should become a self-contained country. That statement has obtained certain currency throughout the country, perhaps because it has a highly patriotic flavour, but it seems to me that it is a vain hope, a futile desire, a rainbow which even the most optimistic can never hope to witness. If we look round the world for a country that enjoys this enviable condition we are met with some disappointments. Our thought would naturally first turn to Great Britain; that country is probably less self-contained than any other first-class nation in the world; she is dependent to a very large extent on the outside world for her food, and

to an even larger extent for her raw materials and for all sorts of things that enter into the life of the community. She lives by external trade. Never since she was a nation has Great Britain been self-contained; and she never will be unless the day comes when Macaulay's vision of the New Zealanders' visit is realized. The next nation we might turn to is Imperial Germany. That country is probably the place where this conception of a self-contained nation was first fully developed. For over 40 years she strove, with all the aids of science, and with all the ingenuity, energy and persistency of her people, to become self-contained. After a few years, finding that her efforts were failing, she reached out to other parts of the world to acquire possessions which might provide all that she needed to use from within her own jurisdiction. The result of this policy contributed largely to bringing about the Great War, and it was because she was not self-contained that the Great War was concluded at as early a stage as it was.

Another country in Europe that might be considered is France. She is much more self-contained than most other nations, and yet she is dependent on the outside world for a very large portion of her food, and for an even larger proportion of her raw material. She, too, is reaching out into the outside world trying to supplement what she lacks. The smaller nations of Europe such as Belgium, Holland, Denmark and Sweden, all depend to a very large degree on the outside world. So that in Europe there is no comfort to those who proclaim their wish that a country should become self-contained, and their belief that if it did become such it would be happy.

Turning to the United States, that country is probably more favoured by nature in the diversity of its climate and in its natural products and its geographical position than any other country in the world. She too has sometimes thought that she might be self-contained, but the result is that she is importing more and more year by year. She sets up a high protective tariff against Canada, and yet notwithstanding that tariff each year sees an increase in her imports from Canada. So that if we look over the whole world we do not find any civilized country which seriously attempts to be self-contained in this present year. It is said that the only people that are really self-contained are negroes of central Affrica, and even they trade coconuts for calicoes.

[Mr. Hudson.]

Mr. GRAHAM: They do not use very much calico at that.

Mr. HUDSON: Probably not. In Canada we have great natural resources and we are proud of them, but there are a great many things that we lack and a great many things that we cannot get along without. In 1879, when the so called National Policy was inaugurated, the fathers of that policy had this same idea of a self-contained nation. They said: We will soon become great if we shut out these industrial products from elsewhere and live within ourselves. The result of that policy, which has been in force ever since with a few modifications, has been that Canada has imported more and more, year by year, from that time. The truth is that no country can maintain its place in our advancing civilization without drawing largely on the outside world. As somebody said, to attempt to do so is a fruitless struggle against the spirit of the age. When you have free communications, free trade in literature, free trade in ideas, you cannot persuade people to do otherwise than insist on procuring material things from wherever they can get them to their liking. It seems to me that if we keep that in mind, the true policy is along the lines indicated by the Acting Minister of Finance (Mr. Robb) in the latter part of his statement; we should turn our thoughts to the development of our resources where we have an advantage, to doing and making the things we can do and make better and more cheaply than anybody else. If we do that, we have ample resources to provide for the profitable employment of the energies of all of the people who are now here and all that we can hope to have for generations to come.

There is another matter which, perhaps, has not been referred to directly by any member during this debate, but which is mentioned sometimes in the press and sometimes on the street, and that is, retaliation. People complain, perhaps rightly, that we are sometimes dealt with unreasonably by the people of the United States or of other countries in regard to tariffs. It is not unnatural that a person who is injured by such a move should feel resentment and should ask for retaliation. But it seems to me that anything of this sort should be proceeded with very slowly, because it seldom happens that you can repair the injury to the injured person by retaliation. You may vent your feelings, but, except in rare cases, you do not benefit by retaliation. There is another reason why we should proceed very slowly with any idea of that sort, and that is this. The United States is a great nation, twelve times at least our size in

population and more than twelve times in wealth. We live side by side on a border of 3,000 miles, and to large extent our resources are complementary to theirs. We cannot get away from nature, and nature intended that we should live side by side in a neighbourly way. If we are going to do anything, I think our policy should be one of conciliation, and that, for the furtherance of such a policy, the government as soon as it possibly can, should get a competent representative at Washington and do all in its power to bring about better trade relationships with the United States.

One hon. member, I think the hon. member for St. Lawrence-St. George (Mr. Marler), remarked that we could not afford in Canada to take our trade policy from either Great Britain or the United States. It seemed to me that there was a great deal of truth in that remark, but it also seemed to me that we could not afford to ignore any lessons which we might learn from what had happened in either of those countries, applying them to our own conditions. In the course of the debate quite a number of members have referred to the value of the home market. The argument has run something like this; Bring in more people, raise the tariff, stiffen it up a little bit; we shall have more people in the cities and industries flourishing, and then our farmers' troubles will soon disappear, because the people in the cities will eat and pay for what the farmers produce. This is a case where we might fairly look at what has happened in the United States before deciding on the validity of that argument. The United States, as all hon. members know, is a nation of over 100,000,000 people. It is highly industrialised, its industries, as a whole, are probably thirty or forty years in advance of ours—I mean in the extent to which they are industrialised. They have enjoyed the blessings of a highly protective policy for several decades, probably for generations; they have as many large cities as they can very well support; they have an urban population in the whole country greatly exceeding the rural population. That being the case, what is happening? During the last few years the agricultural population of the United States has fallen into distress, distress to the degree that they had to seek federal assistance and the federal government came to their aid, providing various methods, for instance agricultural credits, long-term credits, short-term credits, intermediate credits. All this was put in force, but while it may have helped, it did not cure the situation. The next thing that happened was this: The United States' farmers, unlike our farmers, have been educated to believe in the efficacy of a protective tariff. They think it is right, so they go to congress and ask congress to pass a law imposing a very high tariff, a prohibitive tariff, against the products of Canadian farmers. Congress accedes to their request and imposes what they thought was a prohibitive tariff. But that did not cure the situation; they found soon that that did not improve prices, it did not remedy their distress. The next step was a measure which is now before congress, probably being discussed there to-day, known as the McNary-Haugen bill. This bill, when I heard of it first, seemed to me to be a most fantastic production, a scheme which could hardly be hoped to work, or to be considered by thoughtful business men. To put the matter very shortly, those back of this McNary-Haugen bill argue thus: The troubles of our farmers arise because they have an exportable surplus and the price of their products, of what they have to sell, is determined in a world market. The world market is a bad one at the present time, and we have to deal with it on that basis. So, we will form a government corporation having a capital of $200,000,000. That corporation will be empowered to ascertain what the amount of the home consumption of various agricultural commodities will be, then to take the exportable surplus and to sell it at the best price that can be secured in Europe, the government taking the loss. In the meantime the prices of these commodities are to be fixed in the United States by the rather curious procedure of ascertaining what the relative prices of agricultural products and other commodities were in 1914;—prices of farm products, that is to say, have not gone up, while other prices have gone up, and the relationship of these prices in 1914 will be found out—and, having ascertained that, they will then fix the prices for the domestic market on that basis; and in order to prevent that figure being disturbed, they will give to the President, under the advice of the commission, power:

> To determine the rate of duty upon any agricultural commodity, or upon any derivative of or competitive substitute for such commodity, necessary to maintain or to assist in maintaining the domestic price of such commodity at the level of the ratio prices fixed therefor.

There are in the bill several sections which it may be of interest to this House to quote as disclosing the nature of the proposal, and the conditions which the United States legislators feel that they have to deal with. Section 21 reads:

> It is hereby declared that there exists a general emergency in respect of agricultural commodities by reason of—

(1) The continued economic depression in agriculture.

(2) Inequalities in prices between agricultural commodities and other commodities, resulting in a relatively inadequate return to the farmer for his labour and upon his investment.

(3) The existence of surpluses available for export in agricultural commodities.

(4) The necessity in part for the existence of such surpluses in order to safeguard the domestic market against uncertainties of yield and the economic impracticability of immediately preventing the continued production of such surpluses.

(5) The dependence of the prices of such surplus commodities upon the lower prices in foreign markets due to unsettled world conditions and lower costs of production.

Section 22 declares this to be applicable:

If the commission finds that (1) there is a surplus for export of wheat, flour, corn, raw cotton, wool, cattle, sheep, swine, or any food product of cattle, sheep, or swine, and that the domestic price thereof is determined by the world price, and (2) according to estimates made by it, the ratio prices, as defined in section 24, in respect of the commodity would be in excess of the domestic price thereof. . . . .

That, as I say, seems to me to be fantastic. However, I find that it has received the approval of the agricultural committee in the House of Representatives and also of the agricultural committee in the Senate. It was reported to the House of Representatives on Friday or Saturday last and is, I believe, being discussed in the United States Senate to-day. Looking at the matter in the first place, I felt a certain curiosity about the underlying reasons which would justify men in apparently approving of this scheme, some of them being in fact among the most eminent financial men in America. I wondered what prompted them to approve of the scheme; and on Friday I found an article in World's Work, which, as every one knows, is one of the sanest and most rational journals in America, and one that is not given to endorsing anything that is not sound in a business way. In this article I found the plan in question discussed, and with the permission of the House I desire to read from it:

Has the agricultural problem at last been solved? Such is the claim made by those who are advocating the passage of the McNary-Haugen bill, now under consideration by Congress. . . . .

The new proposal, which has made greater headway than any of its predecessors, has at least the virtue of ingenuity. It recognizes, as the basic problem, the fact that the price of agricultural products is not made in the United States. American industry, for the larger part, is not obliged to compete with foreign industry. The tariff protects it against such competition. The American workman pits himself against American workmen exclusively; his wages are fixed by domestic conditions, not by the standards of "pauper labour" in other countries. That, of course has always been the pet argument of the advocates of a protective tariff.

But the situation of the farmer is quite different. He exports his surplus product; he sells this surplus product in the markets of the world; a tariff, therefore, helps him not at all, since the products of foreign farms do not enter this country in sufficient quantities to compete with the American product. Because the American farmer sells abroad, his competitors are the farmers of Russia, of India, of Australia, of the Argentine and other remote countries, and the price of his output is made, not in Chicago and New York, but in Liverpool. It is also true that the price fixed in this world-market rules in the United States as well as in all other countries. No protective tariff can change this situation so long as the American farmer remains an exporter. And the American farmer suffers in two ways. He competes with the whole world, which means—at least it means at present—a low price for the things he raises. On the other hand, nearly everything he buys is produced in a protected market, which means high prices. Here is a gross injustice. About 60 per cent of Americans are engaged in industry and about 40 per cent in agriculture. The government interferes in behalf of the former, sets aside economic law, and protects industry from competition, which is merely an artificial method of increasing prices. The farmer, on the other hand, is compelled to shift for himself. There is, of course, one obvious solution of this problem. The abolition of the protective tariff would place the two elements in our population upon precisely the same level. The price of American industrial products, like the price of American agricultural products, would then be made in the world market. The American workman would be forced to compete with the "pauper labour" of Europe and Asia precisely as is the American farmer under present conditions. The farmer would then purchase the things he consumes at much lower prices than now, a change that would compensate him in large part for the low price at which he sells.

These arguments have not an altogether unfamiliar sound, and I have referred to the bill not with any idea that its principles could be adopted in this country:

4 p.m.

we in Canada could not afford to pay the price, because agriculture enters much more largely into the economic life of the country than it does in the United States. We have still a very large rural population and in the matter of production the agricultural industry is still considerably the largest. For that reason it is not possible for us to consider any such scheme as that. I merely refer to this bill to show the extraordinary length to which our neigbours have been driven to produce equality because of the inequality of the protective policy which they adopted many years ago. This, it seems to me, throws a great deal of light on our own problem.

I do not propose to discuss in detail the measures advanced by the Acting Minister of Finance (Mr. Robb). All I wish to add is, that I intend to vote for the budget as being, in my view, a move in the right direction.

Mr. JOS. T. SHAW (West Calgary): Mr. Speaker, I join with the member for South Winnipeg (Mr. Hudson) in expressing my

warmest congratulations to the Acting Minister of Finance (Mr. Robb) on the concise, lucid and businesslike presentation of the people's affairs which he has made. With his and the government's desire for a reduction in expenditure, I need not say, I most heartily agree. In considering the tremendous revenue drawn from the people by the federal government one must be impressed by the fact that it represents a very serious tax burden indeed, and amply justifies a demand for the strictest economy.

The revenue last year, according to the minister's statement was $394,000,000, representing a per capita tax of $44, which to the breadwinner of a family of five represents an annual expenditure of $220 to meet his federal obligations alone. When one adds to this the municipal and provincial taxation, one gets some idea of the tax difficulties under which the people are labouring to-day. So I most heartily commend the action of the government in expressing to parliament its desire that expenditure shall be cut to the bone. I trust that when the main estimates are considered and the supplementary estimates are presented we shall find that the government has done much more than pay mere lip service to the insistent demand of the country for the strictest economy in public expenditure.

The practice of economy is all the more necessary now in view of the fact that returns for the month of April, the first month of the new fiscal year, indicate a drop in the revenues of the customs and excise department of three and a half million dollars. I want not only to impress upon the government the necessity of reduction of expenditure, but also to present to the Acting Minister of Finance one means at least by which I think he can get much-needed revenue. We have in our midst a Royal Mint, and I think from that source we can supplement very considerably the national revenue. I find upon examination of the payments made by the Mint to the government that since 1908, the time of its formation, until 1923, it has paid to the government in receipts over and above all expenditures a total of almost seven and a half million dollars. During the last three years, for some reason or other with which I am not familiar, only $181,450 has been received from this source. The Mint makes this large amount of money for the treasury principally by calling in American coinage outstanding in Canada and reporting it to the country of its origin, and substituting Canadian coinage for the amount so deported. I find that while during the years 1921, 1922 and 1923 no deportation has taken place, yet in the years preceding very large deportations took place varying from about $1,800,000 down to $900,000. Now, I am informed on credible authority that there is much American coinage in circulation in this country, between three and five million dollars. The cost of exporting it to its source is comparatively insignificant, as one will find by reference to Appendix No. 43, of the Public Accounts for 1923. So I suggest to the government this means of supplementing the national revenues.

One of the most important items presented in the budget, in my judgment has, so far, received the least attention; I refer to the public debt. On March 31, 1914, the year of the war, the gross debt of Canada stood at $544,391,360. There were assets outstanding against that, leaving the net debt at $335,996,850. On March 31, 1923, just nine years later, the interest bearing debt stood at the figure of $2,653,869,212. Let me make a comparison of the two sums. In the first place, the debt represented by the 1914 figures was largely incurred for productive purposes, and consequently there stood against that expenditure a large amount of productive assets, such as railways, canals and other public works. The average interest rate was 3.52 per cent, the yearly interest charge in that year being $14,687,797. The debt itself was largely held outside of Canada. With regard to the debt on the 31st of March, 1923, it was incurred almost entirely, with the exception of the amount included from pre-war years, for war purposes, and consequently was not represented by any productive assets. The average interest rate had increased to 5.215, that increase alone representing an additional expenditure for interest of $44,000,000 annually. Then again, a large portion of that debt is exempt from income taxation. The yearly interest charge stands at something over $138,000,000—a sum in excess of the total annual expenditure of this country in pre-war years.

Now, I suggested that the national debt at the present time is largely internal. I will give some figures to establish this fact. On March 31, 1923, of the Canadian public debt there was payable in London $304,770,796; in New York $210,933,000, and in Canada—making allowance for a small sinking fund—$1,937,031,954, to which must be added temporary loans in the form of treasury notes, unpaid bills and so on, amounting to $95,432,000. There is our problem to-day . What are we going to do about it? What does the Acting Minister of Finance propose,—what

does anyone propose in connection with it?

For the purpose of throwing some historic light upon this subject, the most important before us at the present time, I want to turn back the pages of history and examine some public debts of other countries. The hon. member for Brome (Mr. McMaster) went back to the Middle Ages; I do not intend to go so far, but I want to give some figures which I think may be of value, and then draw a few deductions.

The English debt starts with the year 1689. It amounted then to the small sum of slightly over one million pounds. After the peace of Ryswick in 1697 it had increased to £21,000,000. In the four years of peace following, it decreased £5,100,000. The Treaty of Utrecht which ended the war of the Spanish Succession in 1713 found the debt increased to about £53,500,000. In 1748—I am just taking the outstanding years—after the War of the Spanish Succession the debt stood at £78,000,000. In 1756, after the eight years of peace following, it had been reduced by £6,000,000. In 1763 following the conclusion of the Seven Years' War, the public debt, including the floating debt, stood at approximately £139,000,000. Then we had an era of comparative peace until 1775, by which time the debt had been reduced to £130,000,000; I am just giving the round figures in all cases. The war of American Independence then started, and at the conclusion of that war, terminated by the Peace of Versailles in 1783, the debt stood at £238,000,000. Ten years of peace followed, during which the debt was reduced by £10,000,000. Then we had another long series of wars, the Napoleonic war to which there was a short truce by the Treaty of Amiens in 1802. In that year the debt had reached the total of £500,000,000. The reason for that increase was the unwillingness to impose adequate taxation at the outset of the war, and that is very clearly indicated by the fact that in the first four years beginning with 1793 only £70,000,000 were raised in taxes whereas in the following four years almost double the amount, or £134,000,000, was raised. In 1816, which year represented the conclusion of the Napoleonic wars, the public debt stood at £876,000,000, representing an increase of $25,000,000 per year during all these war years. During this period some heavier taxation was imposed.

Now it is pointed out by the writers that the difficulties in finance at that time arose from two causes: First, there was a natural dislike, for political reasons, to impose adequate taxation, but what was natural perhaps on political grounds was absolutely indefensible on financial grounds; secondly, there was borrowing at a higher nominal capital than the amount actually received, a practice which perhaps has not been forgotten during the ensuing years.

Then followed a long period of peace, and by 1841 the debt had been reduced to £792,000,000. That was made possible by reason of numerous conversions taking place in the interim and the interest rate being reduced sucessively from five to four, and then to three-and-a-half per cent. Next came the Crimean war, which cost some £70,000,000. There was raised by taxation during that war only £36,000,000, and so it became necessary to increase the public debt by an additional £34,000,000. In 1860 the public debt stood at £790,000,000, and thirty years later it had been reduced to £579,500,000. By 1902 at the end of the South African war, it had increased to £748,000,000, and on the 31st of March, 1920, it stood at £7,832,000,000. At the conclusion of the last fiscal year, March 31, 1924, it stood at the exact figure of £7,680,480,000. From December, 1918, to March 31, 1924, the British government has applied the immense total of £650,000,000 to the public debt, but the amount has been swallowed up on account of the conversions, the increase of nominal capital, but at the same time a decrease of interest rates; in other words, these conversions have apparently disguised the fact of payment of that very large amount.

That is just a short synopsis of the development of the English public debt. The history of the public debt of any country in the world would illustrate the deductions I desire to make but I want now to discuss shortly the American public debt and synopsize it for the benefit of the members of the House.

The American public debt practically starts with the year 1791, when there was a total indebtedness of $75,000,000. Alexander Hamilton, a very distinguished American, had a very peculiar notion apparently about public debts; he thought they should be paid. He was the gentleman of whom Daniel Webster later said that he "smote the rock of national resources and copious streams of wealth poured forth; he touched the dead corpse of public credit and it stood forth erect with life". As a result of his ideas the public debt by 1812 had decreased to $45,000,000. The war with Britain and Canada increased the debt by the year 1816 to $126,000,000. In 1835 the debt had been reduced, or perhaps I should say wiped out, because it stood at the insignificant figure of $37,000. By reason of the Mexican War and difficulties with the Indians the debt had increased in 1861 to $61,000,000.

At the conclusion of the Civil War in 1865, it had increased to $2,756,000,000, an amount comparable with our public debt of to-day. In 1892 it had been decreased to $585,000,000, and the yearly interest charge had been reduced from $151,000,000 to $22,900,000. How was that accomplished? First, the high credit of the United States in those years enabled it to convert its six and five per cent loans to four and finally to three-and-a-half per cent. In addition to that there were large annual surpluses which were applied on the debt. Another war came on, the Spanish-American War, and in addition the country suffered from depressed conditions and difficult times generally, so that the debt in 1899 stood at the figure of $1,049,000,000. The present indebtedness of the United States is approximately $24,000,000,000.

I have given these figures to the House, and very probably hon. members are tired of listening to them, and I want now to draw some few deductions from them. First of all, the debt growth is due almost entirely to war; that is the first proposition. I need not remind the House that in the period from 1793 to 1816 the English debt rose by £600,000,000. In the forty years of peace following the debt was decreased by only £75,000,000. The Crimean War added £34,000,000, and it took twelve years of peace to pay that off. The two or three years of the South African War exhausted the twenty preceding years of peace effort in debt reduction. That is the first proposition, and I think it is incontrovertible.

The second proposition is that the continuance of debt is due largely to financial weakness, first to the failure to tax, and then the system of carrying loans to excess. These deductions apply equally to Canada as to other countries. May I just here interject, because it is a matter of interest, the different procedure adopted by New Zealand for raising money by way of war loan? New Zealand insisted on people subscribing to the war loan, and paid a lower interest rate than was paid in Canada. They did not ask people whether they wanted to subscribe or not; they were compelled to subscribe. I just wish to read very shortly the prospectus of one of the war loans. The prospectus stated:

> It is confidently anticipated that the full amount of $47,500,000 will be voluntarily subscribed, but should there be any deficiency it will be necessary to raise the amount of such deficiency by compulsory levy. The total subscriptions amounted to $42,500,000, as against the required $47,500,000 and consequently compulsory subscriptions were enforced where necessary.

The interest rate was 4½ per cent in the case of bonds exempt from income taxation, and 5 per cent where income taxation was levied. In Australia during the war a bill was introduced by the prime minister of that dominion providing for compulsory subscriptions but was not proceeded with because in view of the threat the public took time by the forelock and subscribed. I interject that information here because it may be of some interest, not that it relates particularly to the matter I am discussing.

The next thing I want to suggest is, that the great increase of the public debt has caused a redistribution in all these countries of private wealth. I have some figures indicating the situation: In England in the year 1914, two per cent at that time owned 64 per cent of the private wealth. These, of course, are only estimates; they can be only estimates. Ten per cent of the population owned 24 per cent of the private wealth. Eighty-eight per cent of the population owned only 12 per cent of the private wealth. In the United States in 1915 the figures were almost indentical. Two per cent owned 64 per cent of the private wealth. Thirty-three per cent owned 35 per cent of the private wealth. And 65 per cent owned 5 per cent. Speaking broadly the effect of the war has been to create more unequal distribution than before. I cannot give the figures because they are not available, but the small percentage of rich have not only retained what they had but by reason of their holdings of war loans are enabled to demand of present production, and of the production of future generations, a much enlarged share—in other words, the war has accentuated the tendency towards the concentration of wealth. Let me, Mr. Speaker, read for confirmation of that view a statement by Lord Milner who had this to say, speaking of the war debts:

> As regards that portion of the national debt which we owe to ourselves I do contend that it does not represent a diminution of our total national wealth, but a redistribution of it between individuals. It (the national debt) is an almost intolerable embarrassment to the government, which has perpetually to extract money from a great number of people in order to put it into the pockets of a much smaller number.

Now, what considerations do these propositions invite? First of all, how can we, in this and other countries, overcome the baneful effect of war, the great increase of the debt represented by war activities? Secondly, what taxation can we impose? Again, what reduction of expenditure, if any, can we legitimately make? What prospect is there of reducing interest rates by a conversion? And further, is money liable to depreciate or appreciate in the coming years? And lastly is the ratio of wealth as compared to the debt likely to increase so that the debt thereby

becomes of less significance? Adam Smith, who has already been referred to in this debate, predicted over a hundred years ago that England was coming to bankruptcy because of her over-borrowing. But Adam Smith did not know about the possibilities of steam, and he could know little about the advent of the industrial revolution, The effect of that industrial revolution was to change the ratio of wealth to such an extent—that is the ratio existing between the debt and wealth—that the debt became comparatively insignificant. Is there, I ask, any hope for the future that we may in any way change this ratio so that the public debt will bear much less heavily comparatively speaking, than it does at the present time? May I now suggest some things that we may do?

First of all we can take steps now to eliminate future wars. I suggest that that can be done by passing—not in the future, but now—a universal draft law that will mobilize not only wealth but men, so that in time of the nation's peril every fit man and woman will know that back of him or her in the effort to preserve the country is placed all the available wealth, every resource, and every activity of the country. In other words, to pool the country's resources of both men and wealth to meet the national peril, whatever it may be. I think that would take much of the profit out of war. The best way to prepare for war is to prepare for it in the piping days of peace. I think this method would effectively discourage war. That is the first thing that I suggest. We do need security against war for the future. Now is the time to obtain that security.

Now, what about this public debt? We pay little attention to it. It is pyramiding year after year. What are we going to do about it? Are we going to do anything until we are face to face with calamity? Well, several plans have been suggested, and I simply want to mention them here in passing. There are those who suggest that repudiation is the proper thing. Personally I do not think that is advisable. In the first place it would constitute a gross breach of faith towards those to whom we are under an obligation. It would not only raise interest rates to speculative figures but would shatter the confidence in this country held in other lands, and would invite confiscation of the property held by Canadians in foreign lands. It would necessarily destroy the whole fabric of our industrial life and, in addition, would invite international hostility.

Mr. ROBB: Can my hon. friend say who, in Canada, suggests repudiation of the debt?

[Mr. Shaw.]

Mr. SHAW: I am not implying that anybody in Canada has suggested it. I have not heard it suggested here; as a matter of fact nothing whatever has been suggested here. But other countries are suggesting it, either inferentially or otherwise. Then there are others who propose that we should have a moratorium as far as our public debts are concerned, which, of course, is another although less obnoxious form of repudiation. There are those who suggest that the debt may be reduced by inflation; and then, of course, there is in England a very large group of people who are in favour of what they designate as a capital or a wealth levy. The Labour party of England declared that when they came to power they would bring into effect a capital levy for the purpose of reducing the public debt. That party is in office in England at the present time. In a capital levy there are several vital principles involved and various considerations of technique with which I am not going to deal. These are some of the plans suggested. There is another plan, and that is the one which we in Canada follow—that is do nothing at all. In this country we are sweating away on the treadmill under the delusion that we are mountaineering. That is our situation in Canada. I say: Why wait for opportunities, why not make the opportunity? Unfortunately our entire history is a melancholy record of not doing things in time. What can we do before events will force upon us the formulation of a policy which perhaps in that event will be ill-considered and hasty. I think we should follow the practice pursued in England at the present time and appoint a responsible committee which will investigate the public debt—not only investigate the debt itself but inquire into the incidence of the debt taxation itself, its effect upon employment, and the effect upon the nation's life generally. I think a necessary step if we want to deal with this matter intelligently is to appoint a responsible committee that can make full investigation into all the facts surrounding this important matter. It will at least give us the information. Then of course we should at the earliest possible date convert our loans at lower interest rates. It should be done.

Again there can be no doubt that we should learn to discipline expenditure, in order to secure results which amply justify our outlay. Further there is the question of the investigation of various taxation methods, suggested, I think, in the Speech from the Throne. I think it is highly desirable that we should investigate our taxation methods thoroughly, in order that we may bring to light the proper means for a debt reduction. In this connec-

tion I want to speak very shortly about one method of taxation, because it is referred to in the motion of the hon. member for Centre Winnipeg (Mr. Woodsworth) and that is the Inheritance Tax. It is undeniable that during the war vast fortunes were made out of the nation's peril. It is also undeniable that those who made these vast fortunes gave no adequate return to the state. I speak not only of Canada but elsewhere. Now should these beneficiaries go longer without taxation? Should we call upon the workers and legitimate industries to bear a still larger share of the burden? To be perfectly frank, I do not think that wages or legitimate profits can bear any heavier taxation than is being imposed at the present time. If there is one principle upon which our property system depends, it is that a man is entitled to the property which he creates. That is the sound principle upon which our institutions stand to-day. But I want to point out to you, in the light of that principle, three questions in connection with this proposed method of taxation. First of all, what right has a deceased person to give property? Why should the founder of an estate bind or control a coming generation? One generation ordinarily cannot bind another. This parliament cannot bind another parliament which may follow. It makes its own laws. Can a father, presuming him to be the founder of an estate, bind his son to contribute in labour to the welfare of an individual or to the welfare of society? He cannot do it. Inheritance means that the founder of an estate compels society to feed, to clothe and to shelter the beneficiary whom he may nominate; and in that way a living generation is bound by the wishes of a wealthy deceased. On the other hand, if this is a good principle, why not compel the son of an indigent father to pay his father's unpaid debts? That would undoubtedly be unfair to the son. If there is going to be inheritance, it would seem logical that there should be inheritance not only of assets but of debts; and if ancestors are to be obeyed, and if we pay respect to the wishes of wealthy ancestors, why not pay respect to the wishes of all ancestors, no matter who they may be? The government to-day should be by those who are not only physically but geographically present.

Then the second question, what right has the heir to receive? I have already suggested the principle that the title to property can only be morally based on the result of one's own effort. One has no right to property because his father earned it. The father is under obligation, of course, to maintain his son during the years of dependency, but no further. Blood or kinship confers no merits whatsoever upon the claimant to an estate. It is not a natural right, because if it were society would insist on a father transferring his estate to the son. As a matter of fact it is left to the father's own volition. It is not a contract right, because in contracts there is always consideration moving from one party to the other. In this case the heir gets something for nothing. President Lincoln put the matter very clearly on one occasion when he said, "I have no right to any special privilege of receiving money without earning it, because I thus deprive another of part of what he has earned." A will is merely a direction, as I have already suggested, that the next generation shall support and feed and clothe and shelter the beneficiary according to the terms in the document itself. Again, suppose for instance, a penniless man should suddenly claim from society the right to live in receipt of a princely income, what would society do? Why such a claimant would be promptly sent off to some lunatic asylum. But suppose he produces a document signed by some wealthy deceased, then we honour it. You can see that the position is entirely illogical. Thirdly, why do people consent to this condition of affairs, if there is no right in the founder to give and no right in the heir to receive? Because the fact is that they do not understand the significance of the question, and the only way by which it could be brought to their attention would be if it should happen that all the wealthy deceased should die on the same day and all beneficiaries come into their property on the same day. Do hon. members think for a single moment that the rest of society would tolerate such a state of affairs? I think not. They would then realize how vain it would be to struggle against an economic status fixed for them before birth. There can be no doubt that this inheritance principle makes for concentration of wealth. It is a comparatively difficult matter to acquire a fortune. In these latter days, with tax exempt securities and bonds and similar securities, it is comparatively easy to retain and even to increase a fortune. Let me illustrate by reference to some figures from the United States the exact concentration which this represents. In 1913 there were 29 people in that country who held fortunes totalling 2,756 millions. They had yearly incomes of above 176 millions. In 1915 there were 7,509 people in the United States with fortunes totalling 33 billions. Suppose the United States government had handed a million dollars to each one of those families and taken the rest by inheritance taxation, it would have secured the sum of approximately

26 billion dollars, which it would obtain in the course of a generation, and which sum represents practically the same amount as the total expenditure of the United States government for the first 127 years of its history. The argument I suggest for the inheritance tax is incontrovertible. It cannot be successfully controverted, but there are those who say that the provincial governments levy such a tax. True it is they levy a tax. Let us compare the situation in the United tSates. I made some investigation of the problem last summer. I found, with the exception of two states—and they may have changed their minds since—that practically every state in the American union levies an inheritance tax, and they levy it on substantially the same basis so far as percentage is concerned as our Canadian provinces. But in addition to that, the federal government levies a very heavy inheritance tax. It exempts incomes up to $50,000, but after that it levies a tax which brings the maximum taxation, counting both state and federal, on one inheritance to something over sixty per cent on large estates. Now, if they can do that in the United States there is absolutely no reason why we cannot do it here. If the American states of the union and if the federal government can each levy an inheritance tax, there is absolutely no reason why we cannot do exactly the same thing. It is true it may not amount to much at the outset. It would at least involve very little expenditure, but it would make provision against the day when these tremendous estates fall by reason of the death of their holders and founders. It would be comparatively easy to collect, because all this government would have to do would simply be to make an arrangement for each provincial government to collect on a commission basis, or failing that for the federal government to levy the taxation through their already constituted Income Tax department. So I say, Mr. Speaker, that it seems to me that the argument for this system of taxation is incontrovertible. I think it should be instituted now in order to provide for the future. Not that I am hopeful that it will provide much revenue in the immediate future, but in days to come it will be of increasing significance, and from what source can we secure by taxation money which can more justly be applied to the reduction of our public debt? I shall not further weary members of the House by reference to this question of the public debt.

I want to deal now, and very shortly, with the fiscal proposals which have been proposed by the government, to obtain during the coming year. The government propose several reductions, first by way of sales tax,

a general reduction of one per cent, on special articles a larger amount, and in some cases, articles are exempted altogether from the sales tax. With that reduction I have no quarrel whatsoever and I have no objection to it. Then the government propose certain tariff reductions on implements of industry, on the primary implements required in the development of our natural resources. I think that is highly advisable, highly desirable. If I had any complaint at all, it would be that the proposals do not go far enough.

Mr. BEAUBIEN: What would be the result if this inheritance tax was put into force? How could one prevent a man from dividing up his fortune before he died?

Mr. SHAW: Just the same as that is prevented now. As a matter of fact, it would be difficult for a man to do that, because we already have the income tax returns for the last few years, and we know pretty well, if the income tax returns amount to anything, exactly what he has. Therefore, he should not be allowed, as he is not allowed now by the provincial governments, to defeat inheritance tax laws by transferring his fortune before his death. Might I say also to the hon. gentleman, as this occurs to me now, that the Dominion government can collect this tax much more efficiently than a provincial government? How can a provincial government be sure that it is levying the tax fairly where the deceased has property in a number of provinces in the Dominion? As a matter of fact, the Dominion government is in a much better position to levy inheritance taxation and to collect it than any provincial government. The sway of the Dominion government covers all the provinces of Canada, while a provincial government is circumscribed by its boundaries.

I have taken the trouble to figure out exactly what this reduction of taxation means as regards particular implements of industry. As agricultural implements have apparently received primary attention, I want to suggest to the House just what the reductions amount to, and they are as follows:

Implement	Reduction
Eight-foot binder	$8 00
Six-foot mower	2 92
Twenty-inch double disc drill	8 56
Eight-foot cultivator	4 36
Two-furrow gang plough	5 37

That is the amount represented by the customs reduction on those agricultural implements I have mentioned.

Mr. GARLAND (Bow River): Does that include the sales tax reduction?

Mr. SHAW: No, that is an additional reduction. I want just at this point, by way of comparison, to invite the attention of the government to the reductions that would accrue, presuming that the government is prepared to allow the Crowsnest pass agreement to come fully into effect on the 7th July next. Supposing that that agreement is allowed to become effective, that is that the government takes no action, this will mean that on a shipment of a binder from any of the competing eastern points, Montreal, Toronto, Hamilton and similar points, there will be a saving in transportation as follows:

If shipped to	Saving
Lethbridge	$8 34
Medicine Hat	7 84
Regina	6 23
Saskatoon	7 04
Brandon	3 52
Winnipeg	2 81

Let me apply to other agricultural implements the savings that will accrue by reason of the application of the Crowsnest pass agreement. On a shipment to Calgary from the same competing eastern points in Canada the following savings in freight charges will he effected:

Implement	Saving
Five-foot mower	$ 4 00
Farm wagon complete	7 40
Twenty-inch gang plough	4 40
Sixteen by sixteen disc harrow	3 03
Eight-foot cultivator	4 95
Twenty-inch single disc drill	8 25
Manure spreader	11 00

Nor do I forget the saving that will accrue on the transportation of furniture, fruit, binder twine, barbed wire and all the other commodities that are covered by the Crowsnest pass agreement.

Mr. MACLEAN (York): While I quite agree that the farmer may get the benefit of the reduction in connection with freight rates, has the hon. member any assurance to offer the House that the proposed reductions of the Acting Minister of Finance are really going to reach the farmer who buys these implements?

Mr. SHAW: If they do not reach the farmer, all I can say is that the manufacturer will not be seriously hurt. But I am frank to say to the hon. gentleman, for whom I have the highest regard, that I am not in a position to say whether the full amount of that customs reduction will, either now or ultimately, reach the primary consumer. I may say, however, as is suggested to me by the hon. member for Springfield (Mr. Hoey), that there can be no doubt that the freight rates will reach the farmer immediately. I am not giving these figures because I object to the customs reduction. I do not want that impression to prevail at all. I want to give these figures to the House so that we may get a proper perspective of what relief we are receiving. Then I want to take time by the forelock and suggest to the government what the restoration of the Crowsnest pass agreement will mean to the primary producers.

There are a few matters that I want to speak about with regard to the tariff. My hon. friends to my right are fearful of this reduction. They have told us in no unmeasured terms about the difficulties under which Canada labours to-day. They have pointed to the exodus; they have specially urged that the manufacturing industries of this country have suffered very severely. I have taken the trouble to figure out a few computations from a comparison of income taxes paid during the fiscal years 1921-22 and 1922-23. This statement indicates that the agrarian portion of the population has suffered much more severely than the manufacturing portion of the population. It indicates that the number of agrarians paying income tax has lessened by more than one-half and that the decrease in the tax paid has varied on a per capita average from $69 to $57. It indicates that the number of manufacturers in Canada—I am speaking now about unincorporated manufacturers—has actually increased from 1,629 to 1,732 during that period, but there has been a substantial decrease in the income tax paid. If that means anything, it would, I suggest, mean that the manufacturers have not suffered comparatively more, but, as a matter of fact, have suffered comparatively less than other portions of the community. Then I ascertain from the figures that while there has been a substantial decrease in the number of manufacturing corporations paying income tax, there has not been anything like a comparative decrease in the percentage of income tax paid, because—and it may interest hon. members to know this—whereas in 1921-22 the average income tax paid by manufacturing corporations in Canada was $7,602, a not inconsiderable item when you take into account the exemptions, this amount has been reduced to only $7,133 in the last fiscal year. Again, I have worked out in some detail the percentage of decreases in income tax payments in the various provinces of Canada between the years 1922 and 1923. I find that in the agricultural provinces there has been

a much larger decrease than in the manufacturing provinces. The decrease in Ontario is only 19.5 per cent, and in Quebec 20.7 but in Manitoba the decrease has been 34.3 per cent, in Saskatchewan 36 per cent, in Prince Edward Island 25 per cent and in Nova Scotia 28 per cent. These figures only illustrate, I think, that it is not primarily from lack of protection that the manufacturers suffer, but that they suffer perhaps on account of protection in common with, though to a less extent than, many other people in Canada.

I have been rather impressed with the arguments advanced by my protectionist friends who tell us about the dire distress that is experienced by the manufacturing industry, and I have taken the trouble to consult the Year Book. I may interject the remark here that this book is a veritable mine of information. I have looked up the percentage of the failures in Canada during the past year as compared with other years and I find that there has been only a comparatively small increase. This of course covers not only the manufacturing concerns but, as well, every variety of trader and merchant; and the interesting fact is that while the Year Book has classified the causes of failures, lack of protection, which we are told is an important cause for failures in Canada, is not taken into consideration at all by the Dominion Statistician. This is strange; but it is perfectly clear that the Dominion Statistician in his figures has taken no cognizance of the lack of protection as a cause for failures. If he has then all I can say is that, so far as the reasons for business failures in Canada are concerned, there does not seem to be any difference in percentage of failures as compared with the United States, that alleged highly protective country.

Hon. gentlemen to my right seem to be under the delusion that the United States tariff is the very acme of fiscal perfection, the thing for which we should strive, the thing towards which we should set our faces, rather than harking back to anything like free trade. The analysis of the percentage of goods, taking them by value, entered free into the United States and Canada discloses, however, a rather interesting fact, namely, that in the year 1922 61.43 per cent of goods imported into the United States entered free of duty whereas in Canada only 33 per cent of our imports entered free. Not only that, but the average percentage of duty on all imports into the United States was, for the year 1921, 11.44 per cent, and in 1922, 14.68 per cent, as against an average percentage of duty on all imports into Canada of 14.1 per cent in 1921, 16.2 per cent in 1922, and 16.7 per cent in 1923. So that apparently, from that standpoint, we have a higher average percentage than the United States. Then, too, I find that in the year 1922 the United States, with a population of 110,000,000, collected $456,000,000 by customs taxation whereas we in Canada collected $105,000,000 in other words, the United States in 1922 collected per capita $4.07 while we collected per capita $11.75. And the figures through all the years substantiate the facts I have given. In the United States they depend on customs taxation only to the extent of 10 per cent of the revenue, while in Canada we depend upon it to the extent of 30 per cent. I have taken the trouble to make up a list, only a few items of which I shall give, in relation to the American tariff. I find that shovels and spades, which are very necessary articles to a great many people, are imported into the United States subject to a tariff of 30 per cent whereas we in Canada impose against these articles a duty of 32½ per cent. Boots and shoes enter free into the United States, but we have a tariff on them of between 25 and 30 per cent.

Mr. CHAPLIN: I want to make a correction. If the hon. gentleman will apply to the Acting Minister of Finance (Mr. Robb) he will find that the duty on shovels and spades is 20 per cent.

Mr. SHAW: The hon. member is referring to the recent reduction in the budget. I have a note of it, and I regret that for his sake I did not mention the fact. To proceed: cement enters free into the United States as against a tariff of approximately 10 cents per hundred pounds when it is imported into Canada. Again, cowhide gloves, which are necessary for a great many labouring men, are imported free into the United States; when we import them into Canada we have to pay 35 per cent. Leather is imported free into the United States, but it pays a duty of 15 per cent in going into Canada. Sewing machines pay a duty on importation into the United States of 15 per cent.; when they are imported into Canada they are subject to a duty of 30 per cent. Harness and saddlery are in certain cases imported free into the United States, but they are subject to a duty of 30 per cent. when imported into Canada. Typewriters, which are used by a great many people, especially young people in earning a livelihood, are admitted free into the United States whereas they pay a customs duty of 25 per cent. when imported into Canada. And automobiles, which pay 25 per cent. in the

United States, are taxed 35 per cent. on importation into Canada. There are a great many more items in this list but I shall not weary the House by referring to them.

Now, there are those who suggest that the greatest necessity of the time is stability in regard to the tariff. The present advocates of stability, condemned the government last year for not carrying out their pre-election promises, now they condemn them for making an attempt in that direction. What I suggest to my hon. friends to my right is that the policy of the government up to the presentation of the present budget has been substantially that bequeathed them by the late administration. But we cannot expect stability in this day and generation, at a time when the whole world is in a state of flux and change. Under these circumstances, it seems to me the height of absurdity to ask for stability in anything. In England about a year and a half ago a government was elected upon a policy of stability and tranquility. It lasted just a year; and the wonder is, not that it was elected but that it lasted so long. The voice of any one crying for stability or tranquility at the present time is simply the voice of an infant crying in the night, and with no language but a cry.

5 p.m.

It is suggested by those who favour the protectionist theory that the policy is designed to develop industry, and create the fullest employment. If you ask the protectionist to give you some evidence of prosperity he hastens to the trade returns and rejoices if they indicate any increase over the previous year. But in asking for protection, or in desiring to place a protective barrier against importations, he finds himself on different ground, because if the tariff means anything it means the exclusion of imports and he consequently negatives the argument which he first suggested. It is quite apparent that imports depend upon exports and exports upon imports. I do not think anybody in this day and generation can controvert that statement. Payment for our exports must come by way of goods and services; it can come no other way. And if you limit exports of this country you necessarily clog the wheels of industry, you necessarily lessen employment in this country. No country can enrich itself by erecting a tariff barrier and so isolating itself commercially from the rest of the world. It does not in the long run benefit our own country to produce at excessive cost what another country can produce cheaply and more efficiently. It is idle to imagine that it profits a country to allow manufacturing industry to take a certain toll from the people by reason of customs taxation which otherwise it would not be entitled to. So far as consumers are concerned, this constitutes legal spoliation. I would suggest that the tariff places a premium on incompetence and inefficiency, for the manufacturing industry which has to rely upon a protective tariff exploits citizens of its own community and therefore is necessarily inefficient and incompetent.

But if my hon. friends think the policy of economic isolation is a proper policy, why not apply it to every province; why not have every province isolate itself? Why not apply it also to every city, indeed to every hamlet? No one would suggest for a moment that such a policy would be desirable. There can be no doubt, Mr. Speaker, that artificial interference with the natural flow of imports really narrows rather than expands markets. We want to-day expanded markets; that is our main requirement. A tariff policy cannot make for steady employment; it can only give an artificial stimulus to industry. It increases the cost of living, and, more than that, it is the worst and most exhausting form of raising public revenue, because with every increase in the tariff the manufacturer is able to exact just that much more from the unfortunate consumer. So, Mr. Speaker, I would suggest that a protective tariff is not justifiable, I care not if you take it on the ground of revenue, on the ground of the development of industry, or on the ground of increasing employment; and still less can it be justified, on the ground of common morality.

Now, surely fifty years' experience of this protective policy should be sufficient. For fifty long years we have followed this policy. For fifty years we have primed the pump of Canadian industry with this policy, designed at the outset for two purposes; first, to assist infant industries; and, secondly, to force reciprocity from the United States. It has miserably failed in both particulars, and only those engulfed in the quicksands of protection would for a single moment deny the fact.

Now, why do we tolerate this system? Is it because of the grip of selfish interests on this country? I think not, because I am satisfied that if the sunlight of fact were allowed to illumine the fiscal darkness even for a short time, these interests would be readily dispersed from their slender defence. Is it because the people believe in the policy? Surely not. Everybody is a consumer, and surely everybody has learned by costly and bitter experience that this system does not profit them. It seems to me that one of the main reasons

for the continuance of protection is due to what I may call the more or less spineless attitude of those committed to the policy of free trade. Knowing the facts, inspired by sound principles, they have not hesitated, before election, to proclaim from the housetops their devotion to the principle; but their pre-election militancy and the urge to action seem to die with the declaration of their election. I do not know why it should be so, for it seems to me that there are enough free traders in this country now to serve notice upon our industrialists that we are going to give them reasonable time, perhaps five years —limit the time—to get down to a free trade basis, and that after that period has elapsed we shall insist upon free trade as the fiscal policy of the nation.

But there is another and very important reason, Mr. Speaker, why we should develop the free trade policy of this country. I am thinking now particularly of the world situation. Despite rulers, despite parliaments, the people everywhere are gradually coming back, if I may say so, to their normal senses; there is observable in all parts of the world a restoration to sanity. When the common people of all the belligerent countries come into control and take charge of their affairs, they are going to find out the causes that make for war and prevent them from living in peace and harmony even with their own countrymen. I remember that one of the conditions of the Armistice, incorporated in the Fourteen Points, provided for the elimination of customs barriers. The late ex-President Wilson saw with a very clear and statesmanlike vision that tariffs make for war. But unfortunately the peace of Versailles did violence to that condition. I say "unfortunately" advisedly, for under that peace, to-day the world has little chance. In deference, apparently to nationalistic sentiments that treaty set up ten additional nations in Europe. They promptly, as they fought for self-preservation, commenced to set up tariff barriers to protect themselves, presumably from their neighbours. Armaments necessarily followed, because militarism and protection always walk hand in hand and keep step with each other. So to-day as a result the whole industrial fabric of Europe is in ruins, and the tragic sacrifice, the awful suffering and the heroic endurance displayed in the last war have apparently been largely in vain.

But, as I suggested, there is some hope for the future. Let me give the House my reasons for thinking so. Hungary, under the aegis of the League of Nations, has adopted free trade. England, the home of free trade, despite all her domestic difficulties and problems, and despite the efforts of tariff propagandists, has recently reaffirmed the principle of free trade more strongly than ever. Not only that, but the neighbouring country of Ireland recently appointed a tariff commission which, after fully analysing the facts, came to the conclusion that free trade was the proper policy for Ireland to adopt. In addition, Russia, which has recently entered into the comity of nations again, is now making trade arrangements with the other countries of the world. These are hopeful signs. But not only on the continent of Europe are there signs of better times. Even in the country to the south I think the people are gradually awakening to the futility of their protective policy, and I am hopeful that in the coming presidential election they will see to it that steps are taken to cast this thing from their midst.

Now, Canada cannot do better than to set the pace for this movement. She occupies a particularly strategic position in the world to-day. I see no reason why she cannot take a step in advance of other nations.

I come now to speak particularly on the motion and the amendment which are before the House. The motion before the House is that the Speaker do now leave the chair for the House to go into Committee of Ways and Means. But that is really not what is meant at all. I am sure there would not be a single one of us but would gladly give the Speaker an opportunity to leave the chair and escape from the present and future floods of language; I am sure of that. But it does not mean that at all. We have old forms and old fictions, and the real question we are asked to vote on in this motion is whether or not we approve of the government policy incorporated in the budget. That is the question we have to consider.

Then there was an amendment proposed by my hon. friend from Centre Winnipeg (Mr. Woodsworth), which goes just a little bit further than the proposals of the government. The hon. member for Battleford (Mr. McConica), whom I see in his seat, is very, very sorry indeed that the Conservative amendment was not allowed, because that amendment provided for tariff stability and he wants a battle over that issue. Perhaps he may be pardoned for not knowing that in this country for the last fifty years that is the very issue we have been battling on, the issue of the tariff. It has been a sham battle through all these years, and it will continue in the future, as in the past, to be nothing more than a sham battle unless we get it put on a proper and a solid basis. But as I say, perhaps my hon. friend may be

pardoned, coming, as we know he does, from the republic to the south. I was interested in reading the remarks in Lord Bryce's book on the American Commonwealth, written twenty years ago, where he says that the Republicans and the Democrats in the United States have lost all vital differences, and that there is now only a struggle between them for power and position; party names, he says, still persist, while principles and causes have vanished. And so as they have been having these sham battles over there, I presume my hon. friend from Battleford wishes to import them over here. For him to ask in this day and generation for the perpetuation of these sham battles of the past is to court the character of none other than Rip Van Winkle.

I come now to deal particularly with the amendment proposed by the hon. member for Centre Winnipeg, and I would direct the attention of the House particularly to the preamble of his resolution. He says:

> Whereas the budget proposals would seem to indicate the recognition by the government of the necessity for a fiscal policy designed to encourage industries based upon the development of the natural resources of the country, and to afford some alleviation of the financial burdens bearing upon the people;

In other words, he distinctly, if I understand the language at all, approves of the government policy to the extent that it has gone. Then he says:

> And whereas the condition of such industries and the condition of consumers in general is such as to demand relief ;
>
> Therefore be it resolved:—
>
> That the best interests of Canada will be served by an immediate and substantial reduction of the tariff on the necessaries of life, including foodstuffs, clothing and building materials.

In other words, if I understand the language, expressly and by implication, he means this: So far as the government policy applies to reduction of the customs tariff on the primary industries of this country he is content, but he wants them to go just a little bit further in order to give further relief other than the mere incidental relief which will be given to consumers by reason of the government's policy with regard to primary industries. He wants them to give further relief to consumers by reducing the burden of customs taxation. Now that is not any policy that is new; there is nothing new about it. I hold in my hand the policy of the Liberal party; I hold in my hand the policy of the Independent Labour party of Manitoba, upon which my hon. friend was elected; I hold in my hand the new national policy of the Progressive party, and in every one of those platforms adherence is given to the very things which the hon. gentleman asks for, and some of them, including his own, are almost identical in language with his amendment. That I may say frankly is the policy to which I adhere. It is the policy upon which I was elected; it is the policy which I intend to support.

But it is suggested by other hon. gentlemen that to support the amendment constitutes a vote of want of confidence in the government. Well, I did not know that. It does not constitute a vote of want of confidence in the government unless the government tells us that that is the way they are going to look upon it. But is the government going to call it a vote of want of confidence because some hon. members feel that attention should be directed to further necessary reductions in order that the consumers of this country may get further and larger benefits. This mere fiction, this question of a lack of confidence in the government is something that is inherited from a prehistoric past. Why cannot we get rid of these fictions? Why cannot we eliminate them from our procedure, and to that extent at least be modern and up-to-date? Why not say to the government: We approve of your policy as far as you have gone, and without expressing any lack of confidence in you we think you should investigate and go into these other matters not only of reduction in customs taxation, but also the matter of introducing new forms of taxation to which you and various other parties in this House are already committed? How can I, elected on a platform containing the principles outlined in the amendment, justify my vote against the amendment by telling my constituents that there is some rule of the House which says that this would mean a vote of want of confidence in the government? I suggest to the Prime Minister, and I do it with all seriousness and in all sincerity, that here would be a splendid opportunity for him to ask the free and unfettered judgment of this House. The question he might direct to the House is this: Are you in favour of a further substantial and immediate reduction of the customs tariff on the articles that are so necessary in the home, and which minister to the shelter, food and comfort of the people? Why cannot he do it? Because of this ridiculous rule to which I refer. Only that and nothing more. This rule, like some other things, should speedily be cast into the limbo of forgotten things, and I suggest to the Prime Minister, here is a time to prove his real democracy and to show that he wants to find the real judgment of the House on this important matter.

There are one or two other matters to which I wish to refer. I regret very much that the government the year before last saw fit to introduce an amendment to the Customs Act. I am reading the resolution which was incorporated subsequently into law, in 1922:

If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister of Customs and Excise that natural products of the class or kind produced in Canada are being imported into Canada either on sale or on consignment under such conditions as prejudicially or injuriously to affect the interests of Canadian producers, the Governor in Council may, in any case or class of cases, authorize the minister to value such goods for duty notwithstanding any of the provisions of this act, and the value so determined shall be held to the fair market value thereof.

I want to give just one illustration of the operation of that provision. In the province of Alberta I regret to say we do not produce as yet any fruit; I am hopeful, however, as to the future, but in the neighbouring province of British Columbia they do produce considerable fruit. Last year fruit was produced in the state of Washington and available for sale on the open market in that state at 80 cents per box. The present customs taxation is 30 cents a box; so disregarding the freight charges the cost to the purchaser in Canada would ordinarily be $1.10 per box for that fruit. But was it that? Not at all. The Minister of Customs, although he could not do it under the Dumping Act, because the Dumping Act takes as its basic figures the fair market value for consumption in the place where produced, under this amendment levied a 15 per cent dumping duty in addition to the duty already imposed, making the cost, disregarding freight, to the consumer $1.26½ a box. To that amount must be added, however, the necessary handling charges and the commission agent's charges. What was the result? Simply this: Last year in the province of Alberta the price of apples was so high that the people were denied the opportunity of buying that fruit. What happened? My hon. friend from Brant (Mr. Good) told me last summer that he found them dumping boxes and boxes of apples—I think he said thousands of boxes of apples—in the Okanagan lake somewhere near Vernon. That was the situation—the price was so high that the consumers went on strike, and the whole situation is traceable to this nefarious protectionist legislation of 1922. Now, I think the government should do something to relieve that situation. I do not think they should give us freer trade with one hand and take it back with the other. I think the government should take the earliest step to change that legislation so that it will at least give the consumers of western Canada opportunity to purchase fruit at reasonable prices

Mr. STEVENS: Will my hon. friend permit me to ask him a question? Do I understand him to say that the apples alleged to have been dumped in Okanagan lake were over-plus that could not be sold or marketed by the grower in the Okanagan valley, or is it not possible—I am not quite sure myself and I think, perhaps, my hon. friend may have this information—that a very large quantity of apples were found after they had been packed to be rotten in the core, and on account of that had to be destroyed?

Mr. SHAW: The information I have, for the accuracy of which I cannot vouch, does not suggest that the apples in question were rotten or otherwise undesirable. That may be so, but I would recommend my hon. friend to get in touch with the hon. member for Brant from whom I received the information.

Mr. STEVENS: Would my hon. friend permit me, in justice to the people who are marketing these apples, to say this: There was a disease in a certain variety of apples, I think it was the Jonathan, I am not quite sure, and a large compensation bill had to be met in England because the fact was not discoverable until after the apples were shipped and a large number had to be destroyed. I know that. I do not know if some may have been dumped because of an over-plus, but I never, in the thirty years I have been in British Columbia knew of such a condition obtaining.

Mr. SHAW: I am afraid I cannot give the hon. gentleman the information he asks for. I understand the hon. member for Brant proposes to speak later in the debate and he may be in a position to give further details. I am not concerned particularly with the reason for dumping these apples into lake Okanagan. I can understand from the hon. gentleman's viewpoint that that is a matter of considerable importance, and rightly so. I want to do no injustice, I simply state the fact and I have no doubt the whole of the circumstances will come to light later.

There is another matter to which I personally take very serious objection, and that is the elimination of the exemption clause in the dumping regulations on April 8 last, two days before the budget was introduced. I am not prepared to argue the full effect of that exemption but there can be no doubt it is another step in the direction of protection—it cannot be otherwise. It may be that there is some substantial reason which the government has for this and similar legislation. I

mean the similar legislation of 1922. I trust there is some substantial ground for their action. Personally, although I have been anxious to secure information which would justify me in condoning the removal of that exemption legislation, I have not been able to do so.

I want to say in conclusion that many members take the occasion at this time to renew their faith in Canada. I do not think it should be necessary for me to renew my faith in this my native land. I was interested, however, in observing that over one hundred and fifty years ago the habit of expressing faith in the future of this country was then a comparatively common habit. I notice that Dr. Benjamin Franklin, when he was asked by the British Colonial Secretary whether or not it would be a good thing to restore Canada to France, wrote these rather historic words:

> I have long been of the opinion that the foundation of the future grandeur and stability of the British Empire lies in America, and though like other foundations they are low and little now, they are nevertheless broad and strong enough to support the greatest political structure that human wisdom has yet erected. I am therefore by no means for restoring Canada to France.

Again, standing upon the threshold of the twentieth century Sir Wilfrid Laurier, a statesman for whom I hold the highest admiration, expressed his faith in the future of Canada and claimed that the twentieth century belonged to this Dominion. More than one hundred and fifty years have passed since Benjamin Franklin wrote the message to which I referred. A quarter of the century has passed which Sir Wilfrid Laurier claimed for Canada. And yet I would ask any hon. member here if he is impressed with the progress which we have made in the interim. That is the question. Faith is a good thing. Faith is highly desirable, faith is necessary, but faith itself will not avail—faith without works is dead. As a matter of fact our economic future is being welded to-day upon the anvils of continental Europe, and we allow the existing rusty and creaking old legislative machinery to go on quite indifferent to the settlement of our future in those distant countries. The termination of the war brought great hope for reconstruction. Hundreds of thousands of men returned from overseas with a broader outlook and with a new vision for Canada. Thousands here who had been spared contact with Europe also shared in that optimistic outlook. We turned aside from the high opportunity that we had. We deserted the pathway that invited our feet, and we went back as a nation to the old order and to the old control. These things still persist. That is one reason why 100,000 of those soldiers who offered, for a mere pittance, their services to their country in the time of its peril, accompanied by thousands of others—all denied the security of a livelihood in this country—have sought shelter and asylum in other lands. That is the situation to-day. The plain fact, Mr. Speaker, is that the domestic and international problems of our day lie outside the scope of our present political parties. These problems are economic and geographic in Canada; they do not yield to the same treatment as our problems of fifty years ago. Our forefathers were then disturbed with the questions of political freedom, of the right to vote, and of equality before the law. In that struggle the political parties of to-day undoubtedly took an active and a worthy part, but in the struggle they exhausted themselves and are unable to cope with the new situations arising to-day. As a matter of fact their achievements lie behind us on the battlefields of political freedom. What we need at this time are men and women who will face the problems of to-day.

The main economic problem is now the equitable distribution of the products of industry and, in conjunction with that, to ascertain a common denominator that will weld out of this country, out of its varying and diverse interests, a harmonious whole. That is the problem before the people of Canada to-day. I venture to say that the solutions of these problems will not come from within this parliament. I think perhaps it will come from without parliament from men and women who, with minds receptive to new ideas, who, freed from and unembarrassed by political considerations and affiliations, will bring to the solution of these problems their best, their most earnest and disinterested judgment.

Appropriately enough, Mr. Speaker, for the guidance of all members who enter the portals of this House, is found that old proverb:

> Where there is no vision
> The people perish.

We are the heirs of a doubtful past. We are the trustees of a challenging future. Shall we as Canadians allow our country to perish for lack of vision? The challenge to-day is to us and to our generation. I have no doubt, Mr. Speaker, that if we together united seek the salvation of this country we will be able to weld a real nationality, bounded only, like the shield of Achilles, by the blue rim of ocean.

Mr. T. L. CHURCH (North Toronto): I did not take any part in the debate on the Address, and would not have taken any part in the present debate were it not for the fact that I come from an industrial district which is very much affected by the present financial policy announced in the budget. The district of Toronto has been built up by protection, a great industrial centre having been established there under that great principle. My remarks to-day will deal simply with that great subject of protection, which affects cities and towns in this country; and the financial policy of Canada and the Empire. My remarks to-day will relate to all phases of the problem, the psychology of protection. I support it not because of its own sake but as essential for Canada's sake.

Fortunately we cannot all think or see alike, but while that is so we can respect each other's opinions for what they are worth. We can appreciate the sincerity with which they are held, and give and take, and show moderation and good will. Canada is a difficult country to govern, especially during days like these of stress and strain; and as every government has its troubles, I hope this government will not think that any criticism of the present budget is not made for the good of the country.

Coming from Toronto, I want to express the high regard the people of that city had for the Minister of Finance (Mr. Fielding) during his long public career. His unfailing courtesy and kindness won the respect of all members of the House as well as of the people of the country. So far as the Acting Minister of Finance (Mr. Robb) is concerned, I think it but proper to say that he has proved himself to be a most painstaking and obliging minister, and deserves a great deal of credit for the manner in which he has performed his duties since taking over the department.

I had intended placing before the House a number of letters in regard to the very serious injury done to Toronto's industries by the instability of tariff, the doubt, uncertainty and unrest resultant industrially from the lack of stability and the tinkering with the tariff. Similar letters to these were read by the member for West Hamilton (Mr. Stewart) and therefore I shall not take time to read them as he has fully covered the ground of the damage done to industries.

If Canada is to have free trade or semi-free trade, why are we spending such a huge sum of money on the Wembley Exhibition? When the Prince of Wales, as president, attended the opening of the exhibition at Wembley he made a speech in addressing the King from which I quote the following:

> I hope, Sir, that the result of this exhibition will be to impress vividly upon all the peoples of your Empire the advice you have given to them on more than one occasions, that they should be fully awake to their responsibilities as heirs of so glorious a heritage and that they should be in nowise slothful stewards, but that they should work unitedly and energetically to develop the resources of the Empire for the benefit of the British race, for the benefit of those other races which have accepted our guardianship over their destinies, and for the benefit of mankind generally.

I may say that the free traders of Manchester and the Northwest Free Trade Union have, under government auspices in England, been endeavouring to turn the British Empire Exhibition into a free trade affair and they have secured space for their free trade exhibit. The Wembley exhibition was designed to help forward the cause of Imperial trade, to show the wealth and completeness of the natural resources of the British Empire and the enormous possibilities of development represented in Imperial trade, and it might, I think, have been left free of the efforts to capture it.

The Progressives in this House, not to be outdone by their friends in England, might seek to exhibit their free trade wares at Wembley by asking the government to give them over part of the Canadian space at the exhibition. As the member for Brome (Mr. McMaster) and the Progressives practically believe that the whole future of Canada depends on free trade, I hope that such an exhibit, if made, will be thorough and that it will at least present a candid and truthful view of our economic situation. I venture in all modesty to suggest to the Progressives and Liberals some suitable models and diagrams for this suggested Canadian exhibit at Wembley: A model of the vigorous enforcement of the Combines Act and trusts by the Minister of Labour: a portrait of the hon. member for Brome, with a shadow of his riding being wiped out by the Redistribution Act, crossing back again to the government side and of the hon. member for St. Lawrence-St. George (Mr. Marler) exchanging places with the member for Brome on the cross benches; a painting in oils of the hon. Minister of the Interior (Mr. Stewart), tolling the church union bell, announcing to the world the death knell of protection in Canada. As there is such a stiff economy contest for branch lines, Hudson bay canals, towers and breakwaters, I suggest that the Progressives include an oil painting of all these works. The unused timber and planks in the Liberal platforms of 1896, 1911 and 1919 might also

be used. The shattered planks of the United Farmers of Ontario might be included; also an exhibit of the Progressives branch line economy planks, to be built only according to the free trade law of supply and demand.

A further section of the exhibit might show how the Progressives are aiding the exodus to the United States by their free trade fallacies. A section might be devoted to the roadbuilding methods of the United Farmers of Ontario under the Hon. Mr. Biggs and their way of handling bonds and loans in Ontario, under the so-called group system in that province, with a portrayal of the leader of the Progressives (Mr. Forke) assuring the government before the session that they would have his support. Further, there might be a tintype of three prominent government members talking one way and then voting another way on the tariff. There might also be a miniature of the Progressives ceasing to be the "dilapidated annex," and becoming an overflow, and "the spare men" on the government team, with the leader of the Progressives the star pinch hitter on the government team whenever called into play. They might begin by having the hon. member for Brome (Mr. McMaster),—who is so fond of free trade and the dead text books of the past, which he quoted the other night while dealing with free trade—and ask him to quote the frenzied prophecies of Cobden and Bright that the whole world would follow England's example of free trade. They might also show the fulfilment of that prophecy in the rising tariff walls of every country but our own. They might show the comparative positions of British, German, French and American industries, when free trade was adopted by England and protection by the other three countries I have named. Then Germany was the poorest country in Europe, content, or forced to export such raw products as corn and timber in exchange for the manufactures of industrial England. They might show the Prussian peasant of that time, as contemporary travellers describe him, dressed in rags, breaking the clods with a wooden mallet because he was too poor to buy an iron plough. They might also quote the pathetic and almost despairing description of the German economist List, who described England about 1840 as:

> Supreme in every branch of manufacture,—

Contrary to what the hon. member for Brome said the other night.

> —as a world's metropolis which supplies all nations with manufactured goods, a treasure house of all great capital, a banking establishment for all nations, which controls the circulating medium of the whole world, and by loans and the receipt of interest on them makes all the peoples of the earth her tributaries. In vain,—

List added.

> —did the Germans humble themselves to the position of hewers of wood and drawers of water to the Britons; the latter treated them worse than a subject people.

Then we should see the United States at that same time, in 1840, almost wholly an agricultural country invaded every year by an army of British commercial travellers. We should then have a picture of a comparative situation of the three countries at the outbreak of the war, Germany producing twice as much steel and iron as England, the United States with an even vaster production, the two countries towering in their industrial strength above the nation which had once supplied both with everything they required except food and timber. These comparative diagrams might be accompanied by others to show how national power was a reflection of industrial power, and how free trade England which, as a protected country, had once ruled the world, was compelled to invoke the aid of one great protected country, the United States, to assist her in repelling the attack of another.

There are endless possibilities for this free trade exhibit. We might have a very pretty model of England in 1840 as the workshop of the world, and another in 1924, under free trade as described the other day by the hon. member for Brome and this afternoon by the hon. member for South Winnipeg (Mr. Hudson), as the workhouse of the world with a dole system as the fountain. We might have a beautiful and moving reproduction of a labour exchange, for the benefit of the hon. member for East Calgary (Mr. Irvine), with the clerk handing out, not work, but doles to a queue of about a million and a quarter people. We might have exhibits of crumbling factories, rusting machinery and cold furnaces. The National Union of Manchester could contribute some very interesting statistics, the result of a questionnaire which they sent recently to their members. It seems that 567 manufacturers who replied, estimated that with adequate protection they alone could employ over 100,000 extra hands. But the most interesting exhibits of all would be a list of the German and other foreign members of the Cobden Club and the German cheques which have come in to assist the free trade cause in England. Do we want to head for such a state of affairs in Canada? Then you have only to adopt the platform of the Canadian Council of Agriculture and you will have in Canada such a state of affairs as I have described as existing in the Mother Country to-day under free trade.

In speaking of the subject of protection I wish to refer for a moment or two to the psychology of protection as applied to this country. Great Britain, France, Germany, Russia and the United States have all been built up and their manufactures developed and maintained by protection in every method and manner possible which the legislatures could devise, those methods varying down the ages, although there have been free trade lapses. After great wars through the centuries between these great powers protection was brought up to date to meet changed conditions. For many centuries protection to native industries was the leading policy of all the states foremost in industry and commerce—protection to home industries on land as well as shipping and that protection enforced on both land and sea. Under such high protection, established and made adequate to foster native industries, the great basic manufactures of these states were developed and sustained. Chronic free traders will tell you that they were established and developed in spite of protection. Not so. They give us no table of facts to substantiate their argument. England is no example of free trade. In England, 1,500,000 to 2,000,000 men are out of work under free trade and a man cannot get a job there because of free trade.

> Ill fares the land to hastening ills a prey,
> Where free trade flourishes and men decay.

Rural depopulation is acute also. A man cannot get a job in Canada because for practically all intents and purposes we have semi-free trade in this country, and the situation will become more acute under the low tariff before us. Nearly 200,000 people have swelled the exodus to the United States during the past fiscal year, and that exodus will be greater than ever under this new tariff with five cents off here and ten cents off there, and with nobody able to say where the end will be. Under this condition of affairs the industries of the city from which I come are very much disturbed and the unrest is becoming more acute. This instability of tariff is going to paralyze business, make it stagnant and cause hard times. England, as I say, is no example of free trade, because her manufactures for centuries had been developed beyond those of other nations under protection long before the adoption of free trade there. England was built up under a rigid system of protection, protection not only by a tariff, but by navigation laws and many other agencies which her legislature during those 200 years could develop and put into force. In economic questions, this country will be guided by facts, by experience and by actual conditions as to free trade and protection and not by any abstract theory of any theoretical school of thought, as propounded the other evening by the hon. member for Brome in quoting John Stuart Mill and John Bright.

Mr. John Bright made many prophecies and lived to see most of them falsified. In his speech at the Cobden celebration in 1877 he saw this vision:

> If we look into France we see that protection is becoming weaker.

Is that true to-day? Why, Sir, you have only to look at the high wall of protection which France has erected since the war.

> If we look at the United States or consult any intelligent American we shall find that there it is shaken and tottering to its fall.

Nearly fifty years have passed and protection, in all the great countries of Europe and America, has a firmer hold on the public mind now than then; and during sixty-eight years since the repeal of the Corn Laws public opinion in all the great commercial and manufacturing countries has gradually settled down more and more in favour of protection.

At six o'clock the House took recess.

After Recess

Mr. CHURCH: Mr. Speaker, when the House adjourned at six o'clock I was pointing out the relation of protection to the greatness of the British Empire. It is apparent that the great republican nations are the most rigid protectionists. The nations of Europe which are coming more and more under the influence of the working classes more and more favour protection for their industries. France may be cited as an outstanding example, and on this side of the Atlantic we have one of the most highly protected countries in the world—the United States. Canada adopted protection many years ago. After the first experience under Cobdenism in 1860, not of free trade but of partial reciprocity, the rest of the continent of Europe reverted to the principle of high duties. The refusal of the French to be enticed any further along the path in which free traders are trying to lead them, will indefinitely prolong the reign of protection on the continent.

The great industrial expansion of England came, not from free trade but from protection. England had protection for over two hundred years before free trade was introduced in the early 40's, and the foundations of her great wealth had already been laid. Steel and coal were responsible for England's manufacturing and commercial greatness, not Cobdenism. In 1613 the woollen industry had made such

rapid strides that it dominated the world's markets. In the reign of Elizabeth, 1558-1603, England's fiscal policy was to protect her industries, and she built up her manufactures by the most rigid system of protection, reinforced by bounties and prohibitions and even by fines and forfeitures and the death penalty itself for breaches of certain commercial laws. In fact, one might term it double-header protection.

Unfortunately, in this country the tariff has always been a political football. When Canada has built up an industry, it is later torn to pieces by tariff tinkering, until ultimately the industry is practically unprotected and languishes. But when England once possessed an industry she preserved it for centuries, surrounding it with every fiscal protection from the reign of James I down to 1841. I repeat, her entire industrial greatness was built up under a rigid system of protection, supplemented by navigation and other laws, so that nothing was allowed to be imported except in a British-owned ship, of which at least two-thirds of the officers and crew had to be Britishers. She commanded the markets of the world as a result of this policy. For instance, in the fourteenth certury she prohibited the import of iron, until in 1841 she was manufacturing more iron and steel than all the other countries of the world put together, and the annual value of the industry was over £18,000,000. By double protection—heavy import duties and stringent navigation laws—she built up this industry. As a result of centuries of rigid protection her industries were given uninterrupted security and the country became one of the wealthiest in the world. That is the policy we should adopt—a national policy to develop our iron and steel industry, our mines, our fisheries and our forests, paralleling the protective policy of England in the years before 1841. That is the only way to build up these great basic industries. England became the mart of the world by her protective policy and rigid navigation laws. The influence of free trade on England's commercial and industrial development has been over-estimated. For the three years following 1842 her trade was less, notwithstanding what the hon. gentleman from Brome (Mr. McMaster) said the other night about the wonderful development of British trade and commerce. Her great commercial and manufacturing development since the early 40's is not due to free trade but to world conditions, to the union of coal and steel, and the improvements of transportation facilities by land and sea, bringing in their train wider markets and of course greater volume of trade.

Protection has existed in that glorious land of France for two and a half centuries, beginning in 1661. If France has now the most beautiful manufactures of silk and woollens, she is indebted for it to protection. Protection stands among the ruins of the past era of free trade in that land, and remains standing to this day as a monument of French progress notwithstanding the shock of revolutions. It opened the way at once, first and regular. To protection is due the fact that France ceased to be exclusively agricultural, and became enriched by the new value given to her land and the labours of her people in industrial pursuits.

The United States started like Canada as an agricultural people. As soon as she obtained her independence she adopted high protection measures for native industries, with added navigation acts. The limit is not yet reached, not even by the Fordney-McCumber tariff. From the time of Washington in 1789 down to Harding and Coolidge, protection has been their watchword although interfered with by free trade periods, which only brought back protection stronger than ever. Washington was a strong advocate of protection for domestic industry; his first act proclaimed that a tariff was required for the support of the United States and for the encouragement of domestic manufactures. He was the father and saviour of his country, as Sir John A. Macdonald was of Canada.

Canada notwithstanding the present lull in protection will soon come back to its own after the next election, and will become the home of manufactures and commerce on this continent. We have in our natural resources and our raw material the makings of one of the greatest industrial countries in the world. We are independent of the United States and should day by day become more so, with a national policy brought up to date for our industries, to retain our own markets for our own products and our own work for our own workmen; a national policy for coal, iron, minerals and other basic products, for pulpwood and for power; a national policy that will give adequate protection to the agricultural industry of this country East and West alike, and help in the solution of our transportation problems on land and sea and lake and help to solve our immigration problem. No country in the world is so adapted to protection. Its wonderful physical features, its innumerable rivers, lakes and streams and water powers, its rich resources of the products of the sea, the soil, the forest and the mine, the vast areas of its

food zones, the thrift of its people, its invigorating and salubrious climate all point to Canada as bound to become the great industrial country of America.

The tariff should be taken out of politics. It is not a political question in any sense. Authorities should be set up in this country to act in an advisory capacity to the government in relation to this problem. I would not advocate the appointment of another tariff commission, because commissions have not been a success in this country. The Railway Commission for instance, does it regulate railways? No. sometimes it gets lost, strayed or stolen. You have a grain commission, does it regulate matters respecting grain? I trow not. The government of the day should be responsible for the tariff. The Minister of Finance is the minister responsible with respect to tariff matters, and I would suggest that instead of appointing a tariff commission, a rate expert with a staff should be appointed under the control of the minister, to figure out the fair price ratio of tariff for agricultural implements and everything else that belongs to the manufactures and after allowing for overhead and other costs he should fix a price, and that price should be stabilized and standardized. In that way you would have all the advantages of a tariff commission without its defects.

The Liberal-Conservative party have always been protectionist from Sir John A. Macdonald down to to-day. In the last general election our very able and capable leader the right hon. leader of the opposition (Mr. Meighen) preached this same doctrine of adequate protection for the industries of this country, down in the Maritime provinces, in central Canada, and out in the West. There was no beating about the bush with him. Everyone knew where he stood on the tariff, and that has always been the policy of the Conservative party. They have always stood for moderate protection—adequate protection for the industries of this country.

After all, it was not any political party that made Canada a nation. The people themselves had something to do with making this Dominion a nation, but in my opinion it was the National Policy that made Canada the country it is to-day. You may criticise the National Policy as you like, you may criticise the principle of protection, but we never had anything else but protection in this country except for a brief period so far as I know. I have placed the tariffs of the respective governments in Canada in parallel columns and compared them; and I doubt whether anybody could call the tariff that has been in operation from 1896 down until the present budget anything but a protective tariff. I think that any economic writer would certainly consider that the tariffs for which my hon. friend the present Minister of Finance (Mr. Fielding) is responsible were all highly protective.

Eighty-five per cent of the crops produced in the province of Ontario have a home market in the near-by cities and towns, at the highest price that can be got in open competition in the world to-day. That home market is a steady market; it is not one that is here to-day and away to-morrow. It is to be found in the cities and towns that surround the many very fine agricultural counties of Ontario. I do not think the farmers there believe in free trade. If it were not for protection, in view of the hostile tariff in the United States these farmers would be one hundred per cent worse off than they are to-day, and I believe that remark applies to eastern Canada generally.

The late Hon. J. Israel Tarte once said that platforms were made to get in on, but not to stand on. Probably that accounts for the Liberals from 1896 to 1911 not carrying out their free trade policies, but returning and sticking to protection. I do not blame them for it. Any prosperity that this country had during that period was due to protection. All the main cities and towns of Canada have been built up under protection. That is true of Brantford, of Toronto, of Hamilton, of Montreal and all our other large cities. They have all been built up by the National Policy. Take the city of Toronto, which I represent. In 1878 soup kitchens had to be established there to meet the wants of the large number of men who were out of employment; vacant houses and stores were many; and there were evidences of distress on every hand. But the policy of protection was adopted and it stimulated the growth of our city in many ways. The trade and commerce of Toronto greatly increased; the population has doubled almost every ten years; the receipts from customs and excise, and post office, to say nothing of bank clearings grew prodigiously, and Toronto is only one of the many cities of Canada that has made tremendous strides as the result of protection. Now, geography has taught the people of Canada a lesson in more ways than one. It has taught them not to leave themselves at the mercy of a foreign country in regard to their fiscal affairs, especially when that country is one

of the most wealthy, powerful, prosperous and ambitious in the world—I refer to the United States. Every country in the world including the United States, is increasing its tariff. Not only are the United States and the various countries in Europe doing that, but Australia, New Zealand, and the South American republics are all adding to their protective tariffs. Is it to be argued that these countries are all wrong, and that the Progressives and Liberals of Canada are all right? I say no. I maintain that as a result of the Great War and of world industrial conditions, more protection will be required to meet the changing conditions that arise as the years go by.

I once heard Sir Richard Cartwright and Sir Oliver Mowat say that if the Liberals were returned to office in 1896 they would remove the last vestige of protection, but they did not do so. Examine the sixteen budgets of the present Minister of Finance and what do we find? We find that each and every one is highly protective in character. But that cannot be said of the budget we are now considering. I do not see what the Canadian farmer is going to do. He is shut out of the United States by a tariff of 42 cents a bushel on his wheat and therefore must depend on his home market. That is the best market for him that I know of. It will take care of from 80 to 85 per cent of his crop in the central part of Canada. If the government can solve the railway problem and bring the railway rates down, a great step will have been taken. A great deal of disturbance and harm has been wrought in the city from which I come by the present budget. Very few people realize what a large proportion of the population of such cities as Toronto, Hamilton, Brantford, and the towns of an industrial character surrounding them are dependent for livelihood upon our basic industries. There are merchants, clerks, tailors, dressmakers, milliners, doctors, lawyers, school teachers, carpenters, bricklayers, plasterers, painters, decorators, plumbers, electricians, real estate agents, insurance agents and many others who get their living by supplying the varied wants of the industrial population. All these people contribute in a variety of ways to the general revenues of the government. If they were living in the United States instead of Canada they would contribute nothing to Canadian government revenue. The loss of revenue resulting from even the partial wiping out of the agricultural implement industry would greatly exceed the amount required to pay the freight charges on agricultural implements from the factory to the farm.

In a new country like Canada essentially agricultural, one of the chief wants has been markets. Now food markets at home mean better prices and better profits and better wages. They stimulate production and lead to wealth. If we all produced the same articles there would be no market. It was because British farmers had their customers, the British manufacturers, almost at their doors, and that many corn producing countries had no manufacturers that Britain became so prosperous. It is as true to-day as it was in Adam Smith's day when he said that "the increase and riches of commercial and manufacturing towns contribute to the improvement and cultivation of the countries to which they belong in many ways by affording a great and ready market for the rude produce of the country." We must have home markets for a hundred products of the farm and garden and the fields that are too bulky or perishable to bear transit to other countries. Under the present tariff we are heading for the same conditions that prevailed in 1878—for depression, closed industries and hard times.

The present budget is injudicious and not judicious protection. By "judicious protection" I mean protection brought up to date to meet the varied conditions created by the war and conditions at home and abroad—a protection which will promote and maintain on a living basis our own domestic industries in this land of abundant resources. It must be such a tariff as will conserve and strengthen our existing industries, further develop them, and nurse other struggling ones and those needing aid, such a policy as would call into existence other new industries and assist in maintaining them after they are created; such a tariff as would in effect stop the present exodus to the United States by creating profitable employment which would accumulate wealth and minimize the waste now going on in the country and check the economic wastage of the present exodus. The greatest problem confronting this parliament is to adopt such a national policy as I suggest here brought up to date as will bring "the field and factory" together; will preserve our own home markets for our own resources and products; will eliminate all unnecessary hauling to and fro and cheapen production and make it more accessible to the masses rather than develop a system which elevates trade above production.

As has been said Cobdenism has the defect of considering the exchange of commodities as being more important than their production. The aim of protection as we had it in Canada under the Conservatives was to promote production and avoid waste—the only economic policy that will ever endure in Canada. How will the so-called reductions benefit those out of work? Will not the departure from last year's declaration of the Minister of Finance for stability of tariffs ead to a wobbling and meddling tariff policy, and add to the number of industries closed down with attendant unrest, uneasiness and unemployment. Will there not be a further economic waste by way of further exodus to the United States if we keep on nibbling at our tariff and lowering the same? Will we not lose what industrial supremacy we have? At present Chicago is the "third largest Canadian city in the world" and Detroit is the fourth. I use these designations to illustrate the number of Canadians now living in these two cities of the United States. Where will this exodus stop under "a vaster free trade policy than has been"? What will be the next industry to be attacked? The International Harvester Company can now close up its factory in Hamilton, manufacture in Chicago and just ship its agricultural implements over into Canada. The money invested in the Hamilton plant, can be considered wasted and the plant can now be scrapped.

What does this budget mean to a city or town man who pays most of the taxes of this country? What reduction is there for him? We might just as well admit there will in fact be none. His income tax is the same, a double-header—one from the municipality, another from the Dominion. A reduction of one per cent in the sales tax will not change the selling price any to the consumer; the seller will charge the same for clothing and everything on the breakfast table. His freight and passenger bill from the railways is the same. High prices for money, labour and material still continue. Will the resolutions now before the house make for a cheaper breakfast table or a free breakfast table? They will not. The consumers postage costs the same instead of being reduced as is being done in every other country. A mathematical calculation has been made that taxes have been reduced $2.70 per head. It will be hard to get the consumer to locate this pin money, Municipal taxes are going still higher. Will the rent bill be any less, or the cost of clothing, food, coal and fuel bills? Will the food bill for the breakfast table be any less.

[Mr. Church.]

I answer no. The consumer will still have to pay the same taxes both direct and indirect. The reduction to the individual, as to the nation, will be more fanciful than real. Has the budget made the Canadian public rich? To that question I return an emphatic response that it has not.

On the 2nd April this year the Canadian Council of Agriculture came to Ottawa and presented a memorandum to the cabinet in which they urged that relief be granted to the agricultural industry. They stated that protection has been an unmitigated evil for many years, and that the farmer has been exploited and plundered by those who enjoyed special privileges under it. They asked that the farmer be relieved of the artificial burden which it was claimed had been unjustly imposed on him. A declaration was made in favour of reciprocity with the United States, and an immediate abolition of the tariff on the implements of production was asked. The Canadian customs tariff so long as retained, to be based solely on the requirements for public revenue. From this it will be seen that we recognize a definite distinction between a protective tariff and a tariff for revenue. We look forward to a time when possibly the tariff may be altogether abolished, and in the meantime we urge that so long as the tariff is retained it should be on a revenue basis.

All I can say is that if such a policy of free trade and reciprocity is adopted by the people of the country, it means that we will go back to where we were in 1878. Industries will be ruined; people will be out of work and the times will be ten times worse than they are now. I may say further to the Canadian Council of Agriculture that free trade and reciprocity with the United States would make a Lazarus out of a country that Sir Wilfrid Laurier proposed to have made a nation. That proposal would exhibit the Canada of Queenston Heights, or St. Julian, of Vimy Ridge, of Passchendaele, of Amiens and many other fields of glory, as a beggar for the poor favour of reciprocity and free trade.

I propose to show that the only remedy for the condition of the grain growers is in protection and cheaper transportation.

Canada is not being carried along the road to a fulfilment of the destiny that awaits this country as fast and as far as we could wish. Too many Canadians are being driven to carry themselves along the road that ends in a job under the Stars and Stripes. I am no more a despairist on the issue of Canada's future in peace than I was a defeatist on the issue of Britain's victory in war. I believe in the certainty of greatness for the Canadian nation inside the British Empire.

I admit the height and number of certain obstacles to the attainment of that greatness. These obstacles are no visitation sent upon us by Providence. The worst of these obstacles are of home manufacture. Ontario has not yet recovered from four years of free trade preaching and blue ruin prophecy. Ontario gave a negative answer to the question, "Shall a province that was saved by a Brock be ruled by a Drury?" Ontario sent the Ontario end of the Progressive party about its business. Ontario has learned that a few months will not suffice to bring back the business opportunities that were driven away from Ontario by Hon. E. C. Drury and the other would-be Progressives who called themselves farmers. These Liberal-first agrarians proved that they were caricatures of the genuine patriotic farmers of Ontario. When the issue of protection is raised in peace the farmers of Ontario have never failed to stand by their country in the polling booths. When the issue of Canada's existence is raised in war the farmers of Ontario—I mean the genuine farmers, not the kind of party-first farmers—have never failed to go themselves or to send their sons to defend their country on the battlefield.

We had four years of blue ruin preaching and free trade predictions in Ontario. Manufacturers were denounced as thieves and robbers. The province could not expect capital to be invested in industrial enterprises when the premier and the government of that province were denouncing industrial enterprises and refusing fair play to manufacturers. I said that we could not blame Providence for the impediments that obstruct Canada's pathway to greatness and prosperity. These obstacles are made in Canada, the work of our own voters. Ontario got one obstacle out of the way last June, the so-called Farmers' government, but the policy of the Ottawa branch of the party that was destroyed in Ontario last June, is still a hindrance to the growth of this country. That party is the worst enemy of prosperity for its own supporters engaged in grain growing and other forms of agriculture in the provinces of Manitoba, Saskatchewan and Alberta.

I wish now to deal with the wheat growing industry showing that its future depends on adequate protection, that it is not a continental but the most Imperial of all our industries, and that protection is the best friend of the wheat grower, and the day will come when he will see it.

The wheat-producing industry was very much disturbed by the war. Previously an important part of the supplies received by importing countries came from Russia and the Balkan countries; the war cut off these supplies, which greatly stimulated production in other countries, notably the United States and Canada. Since the war grain production has recovered all over Europe and Russia has reappeared as an exporter with the result that there is an over-supply of wheat. The United States has reduced its acreage in some degree, but not to the pre-war area, while Canada and Argentina are producing much more than heretofore. This is a case where production was increased to meet an emergency.

It cannot be too plainly stated or too often repeated that the United States is now a relatively small factor in making world wheat prices. Canada is a much larger factor and European markets are receiving large quantities of wheat at lower prices than even Canada is making. Moreover, Canada and other countries are able to produce wheat at lower costs than those ruling in the United States. The Wheat Council in the United States bases its appeal for a higher tariff upon a showing that costs are much lower in Canada.

I believe in free trade only to the extent, I repeat, that if I had sat in the last parliament I would have tried to prove myself a free trader, when the hon. member for Marquette (Mr. Crerar) without protest or let or hindrance from the Progressives and the other sort of Liberals proved himself a protectionist. I believe in free trade, especially free trade in grain inquiries. The Progressives and their leaders proved themselves believers in protection, yes, in the worst kind of protection, the protection that surrounded the alleged robbery of the western wheat growers, and protection against an investigation into the workings of that system of robbery. The hon. member for Marquette and others combined courts and lawyers and injunctions into a prohibitive tariff against inquiry into the methods of the big interests that handle wheat, not excepting the big interests in this country represented by the hon. member for Marquette. I was never an extremist in my enthusiasm for Union government. But the Union government honestly tried to protect the western wheat producer against the big interests. The western wheat producers have fulfilled in their experience with the hon. member for Marquette and his followers in this House, the words of scripture, "A man's foes shall be they of his household." The worst enemy of the western wheat growers is the policy of the Progressive party, its leaders and its representatives in this House. The next opponent of the western wheat grower is the present policy of the Liberal party, its leaders and representatives in this

House and in the capitals of the prairie provinces. The best friend of the western wheat grower is the policy of protection, as that policy has been and should be extended and administered by the founders and soldiers of the National Policy, the Conservative party of Canada. The western wheat grower has eaten the sour grapes of free trade. No wonder the western wheat growers' teeth are set on edge. The western wheat grower has taught himself to believe, or has allowed so-called leaders to persuade him, that wheat growing in western Canada is a continental industry, an industry that must prosper by reason of the admission of the product to the United States market or perish because of its exclusion. I submit that wheat growing in western Canada is the most truly national, the most widely imperial of all Canada's great industries. The markets of the British Empire mean more and the markets of the American section of the North American continent mean less to the wheat growers of Canada than to any other class of Canadian producers.

I said that the Progressives in this House are not progressive any more than the Liberals in this House are liberal. Progressive Liberals or Liberal Progressives profess that they are the best friends of the western wheat grower. They insist that their quack medicine of free trade is a sure cure-all for all the ailments of the western provinces. They suggest that so long as the United States market of 100,000,000 bushels per annum is open to the wheat growers of the West it does not matter what becomes of the British Empire and its market. The market for Canadian wheat is not on this continent, where the United States always grows enough wheat to feed her people and is still able to export a surplus. The market of the Canadian wheat grower is the British market of the United Kingdom, the allied markets of France and Italy, and the foreign market of Germany. These British, allied or foreign markets imported wheat from Russia and overseas to the extent of 565,000,000 bushels in the twelve months of 1920-21, and 545,000,000 in the twelve months of 1922-23. The export of wheat from Russia and the wheat producing countries outside of Europe may vary 100,000,000 above or below the 500,000,000 bushel mark. I submit that 600,000,000 bushels is a large estimate of the demand for imported wheat in Britain, France, Italy and Germany, and that 600,000,000 bushels demand represents the only market open to the Canadian wheat grower except the home market. Russia, although recovering, is at present incapable of exporting as much wheat as formerly to the 600,000,000 bushel market in Europe. Canada's competitors in that market, so long as Russia is a non-exporter of wheat—and she is even now exporting—are India, Australia, Argentina, and the United States. The overseas market for wheat is the only market other than the home market open to the wheat growers of our prairies. The wheat acreage of Manitoba, Alberta and Saskatchewan was 21,665,276 acres in the last year of record. The number of cultivated farms in these same provinces was 255,557 in the last year of record. The total wheat crop of these provinces was 454,000,000 buhels in the last year of record. Canada's total export of wheat from the crop of 1923 is estimated at 250,037,749 bushels, valued at $262,038,943. We are told that Canada and other wheat exporting countries cannot hope for an overseas demand that will average over 600,000,000 bushels per annum, and that demand represents the only market for Canada's export crop of wheat. That market must be shared with the United States and other wheat exporting countries. The problem is as clear as sunshine. On one side of that problem is the overseas market that will take an average of 600,000,000 bushels of imported wheat per annum. On the other side are the Canadian prairies; an area of 20,665,226 acres on these prairies cultivated by 255,657 farmers raised an export crop of 250,037,749 bushels of Canadian wheat in 1923. Add 26,000,000 acres to the prairie wheat field of Manitoba, Alberta and Saskatchewan. Add 300,000 wheat growers to the 255,657 wheat growers who raised an export crop of Canadian wheat in 1923. The result of these additions would give Canada an export crop of nearly 600,000,000 bushels of Canadian wheat, and that export crop would flood the overseas market for imported wheat. Let Canada's three prairie provinces produce an export crop of 600,000,000 bushels of wheat. Let the overseas market for imported wheat from Russia and all other wheat-exporting countries be stabilized at a yearly average of 600,000,000 bushels per annum. Canada's export crop of wheat would meet the demands of the European market that takes an average of 600,000,000 bushels of imported wheat. Let Canada's export crop of wheat reach the proportions of 600,000,000 bushels, and the world's market would not be able to absorb more than Canada's production of wheat. Canada's wheat would have to compete with the low costs of wheat production in India, Russia and the Argentine, and with reasonably high cost of wheat production in Australia and the United States. The results of that competition would drive the price of wheat down to 50 cents or

60 cents per bushel until such times as low prices decreased the wheat acreage.

Low prices would decrease the acreage sown in wheat by the farmers of wheat exporting countries, and that decrease of wheat might slowly increase the price of wheat. That slow increase in the price of wheat would never rescue the wheat growers of Canada from the dire disaster that will come upon them if they trust their industry to the workings of the great free trade law of supply and demand. The wheat growers of Manitoba, Alberta, and Saskatchewan have only to trust to their present leaders and their present policy, go ahead raising wheat on the prairies and listen to free trade howls on the platform, and the price of wheat will go down to 50 cents a bushel. Nobody could receive any profit out of wheat at 50 cents per bushel other than the middleman, who buys and sells the wheat, and the railways and steamship lines that carry the wheat to the overseas market. The wheat growing industry of Manitoba, Alberta and Saskatchewan has more deadly enemies than the big interests of the East. I am no friend of these interests; these interests never were and never will be friends of mine. I have suffered from their enmity as every public man must suffer if he tries to stand up for the people, as the government headed by the present leader of the opposition tried to stand up for the people on the historic occasion to which I have referred. That occasion was the time when a government of this country tried to investigate the methods of the big interests that were plundering the wheat growers of the West. Did the wheat growers support the demand for an inquiry? No, the wheat growers supported the same old triple alliance of Liberals who are the worst enemies of real Liberalism, Progressives who are not the friends of progress, and free traders like the Progressive party and their Progressive leader, who went to the courts with his allies, the grand combine war to the death against free trade in grain inquiries. The wheat growers of Manitoba, Alberta, and Saskatchewan have more to fear from the big interests west of the Great Lakes than from the big interests east of the Great Lakes. Liberals who are not true to real Liberalism, Progressives who are not the friends of progress, teach the grain growers to believe that they owe nothing to the British Empire and that the British Empire means nothing to them. The British Empire and especially the British market mean everything to the wheat growers of the West. Free traders tell the wheat growers that the American market will take care of all the crops that the prairies of the West can ever raise. I am not one of those Canadians who apologize for their party's share in the defeat of reciprocity in 1911. I would not belong to any party that voted to have Canada's tariff made in Washington. Reciprocity would have lasted only until some agricultural bloc in the United States imagined that reciprocity was putting a dollar in the pockets of Canadian farmers. Then the United States would have ended reciprocity as suddenly as the United States began the 42 cents per bushel tariff on Canadian wheat. The British and overseas market is and always should be a market of customers for Canada. The United States market is and always will be a market of competitors with Canada. The wheat growers of Manitoba, Alberta, and Saskatchewan have had to sell, and will have to sell their export crop in the British and overseas market, to the extent of 600,000,000 bushels of imported wheat per annum. The United States share in that market in the years of record were:

1920-21—300,000,000 bushels out of a wheat import of 565,000,000 bushels.
1921-22—185,000,000 bushels out of a wheat import of 535,000,000 bushels.
1922-23—140,000,000 bushels out of a wheat import of 445,000,000 bushels.

In these three representative years of record the overseas market for import wheat averaged 348,000,000 bushels per annum. For the same three years the export of the United States to that overseas market averaged 208,000,000 bushels. These figures prove that the market of 100,000,000 people in the United States was served with homegrown wheat plus the following imports of Canadian wheat:

	Bushels
1920-21	57,082,575
1921-22	17,250,790
1922-23	19,943,430

The Progressive party, the Liberal party, with their triple alliance of non-Liberalism, lack of progress and semi-free trade, teach the wheat growers of Manitoba, Alberta and Saskatchewan to believe that they can get rich selling wheat to the United States. The figures show that the United States gets rich feeding the American people from the American wheat fields and still exports American wheat to the extent of 148,000,000 bushels. The average annual export of American wheat for the last three years is more than 25 per cent of Canada's entire wheat crop. That export of 148,000,000 bushels per annum was more than 30 per cent of the world's total wheat export to the British and overseas market.

Canada's wheat growers never had, and never will have, worse enemies than the triple alliance I have tried to describe. That

alliance includes three parties; that alliance includes three policies. The three parties are the Liberals who are not liberal, the Progressives who are not progressive, the free traders whose idea of free trade is to set up a prohibitive tariff against grain inquiries. The policies included in that triple alliance are the policies of error, pretence, and reaction —or, to use the words of the Council of Agriculture—exploitation and plunder. Free trade has nothing to offer the wheat growers of the west but the piffle that represents protection as the worst enemy of the wheat growing industry. I submit that protection is the only policy that is capable of being developed into the best friend of the wheat growing industry. Free trade has nothing better to offer the wheat growing industry than the pretence that wheat growers can be poured into the prairies of the West and the free trade law of supply and demand will take care of the illimitable expansion of Canada's wheat crop.

The laws of supply and demand have, through a course of years, stabilized the export market for wheat at about 600,000,000 bushels. Canada's wheat crop in the last three years was:

	Bushels
1921..	285,337,900
1922..	380,830,400
1923..	454,834,000

Canada has only to add two-thirds to the present number of wheat farmers and Canada alone will have an export crop of wheat more than equal to the total world consumption of export wheat from the chief wheat exporting countries of the world. That consumption is stabilized at about 600,000,000 bushels. I am not forgetting the United States market. The United States wheat fields now supply almost one-third the wheat sold in the export market. The total United States wheat crop for the last three years has averaged 800,000,000 bushels, or 200,000,000 bushels more than the wheat consuming power of the present population of the United States.

A country that raises a total yield of 800,000,000 bushels of wheat and exports an average of 138,000,000 per annum is no market for Canadian wheat. The American wheat yield averages nine bushels to the acre. A slight increase in the fertility of the American wheat fields would take care of the growth of the United States wheat consuming population for the next thirty years. The pretence that Canada's wheat growing industry has anything to hope for from the United States market is a free trade fallacy. Every 10,000,000 wheat consumers added to the population by the United States would add less than 60,000,000 bushels per annum to the demand for Canadian wheat if the Americans opened their market to Canadian wheat growers instead of closing that market against them. The advocates of free trade are guilty of a fraud and a false pretence in the declaration that wheat growing in Canada is a continental industry. Wheat growing in Canada is an Imperial, an overseas industry, and must depend for prosperity, not on a market of competitors on this continent but on a market of customers in the British Isles, in allied countries, yes, and in foreign countries. The prairie wheat growers of the West have only to follow free trade far enough and stick to free trade long enough and they will be trying to get rich selling wheat at 50 cents and 60 cents a bushel. Free trade and false leaders have put the prairie farmers of the West in this position.

Protection properly applied would maintain the individuality of Canada's wheat crop all along the line, from the primary producer to the ultimate consumer. I want to see a policy of protection applied to the wheat growing industry so that the high price that should be commanded by the high quality of the Canadian wheat will go into the pockets of the Canadian farmers who raise that wheat. The prairie farmers support leaders who rise to apply false principles in a free trade policy that puts the high price commanded by the high quality of the Canadian wheat into the pockets of the Yankee middlemen, who handle that wheat, instead of into the pockets of Canadian farmers who grow it. That is what free trade has done for the wheat growers of western Canada. Let these farmers cling to free trade and permit a lot of United States-bossed grain combines to drive Canada's export wheat crop into American routes to the world market! That is the free trade idea. Free trade permits the individuality of Canada's wheat crop to be destroyed so that the high price commanded by the high quality of that crop shall mean a high profit to the American middlemen who handle that crop. Protection should seek to maintain the individuality of Canada's wheat crop so that the high price demanded by the high quality of that crop shall go into the pockets of the Canadian producers who raise it. Free trade, with its triple alliance of cant, humbug and bunkum, takes millions of dollars out of the pockets of the Canadian wheat grower every year by destroying the individuality of the Canadian wheat crop. Protection, with its all-Canadian or other all-British routes to the export market, would maintain the individuality of

the Canadian wheat crop and put millions of dollars into the pockets of the Canadian producers who raise that crop.

I am not here to argue for protection because protection is good for Ontario. I am here to argue for protection because of my conviction that protection is the only hope of building up Canada as a nation within the British Empire. I am here to argue for protection because of my conviction that the only hope of profitable wheat growing in western Canada or any part of Canada is in a system of protection that will give the Canadian wheat grower a quality price for his quality crop.

Free trade as they have it in the Winnipeg Grain Exchange and other centres affiliating with the big free trade allies of the hon. member for Marquette (Mr. Crerar) and other Progressives will permit Canada's high quality wheat crop to be mixed with low quality wheat of foreign origin en route to the world's market. The result of that mixture will be a repetition of the same old free trade story of the foreigner getting a high profit for handling high quality Canadian wheat and the Canadian farmer getting a low price for growing that wheat. I believe that the only principle that can extend and make prosperous the industry of growing wheat on the Canadian prairies is the policy of protection. Protection, and protection alone, as applied to the marketing of Canadian wheat will maintain the individuality of Canada's wheat crop and give the producer of that crop a quality price in the world's market. Free trade that leaves the marketing of Canada's wheat to the law of supply and demand will destroy the individuality of Canada's wheat crop, deprive that crop of the price its quality should demand in the world's market, and require the Canadian farmer to get rich trying to grow wheat and sell it at less than 75 cents per bushel.

Free traders in this country have encouraged the Yankee middlemen and the native grain exchanges to take $2 out of the pockets of the Canadian wheat growers in excessive profits for every 10 cents that the Canadian implement manufacturer has taken out of those same pockets.

The big grain interests that the hon. member for Marquette represents are interests that want more, and yet more, free trade. Free trade enables the alien allies of these big interests to handle Canada's high quality wheat at an estimated excess profit of millions per annum. The protection that I advocate would enable the constituencies of the self-styled and so-called Progressives to keep that profit in their pockets. Free trade destroys the identity of Canada's wheat crop and enables the United States beneficiaries of free trade to take a toll of $25,000,000 per annum in high profits on the handling of Canada's high grade wheat. Protection in the form of shipping conditions or export duties would enable the farmers who grow Canada's high grade wheat to add to their revenue that $25,000,000 per annum as the high price of high quality wheat. Protection, rightly understood and rightly applied, would give the farmers of the West cheaper agricultural implements than these farmers would ever get from free trade, as they have had it in this budget. I am not pleading for protection for the manufacturers' sake. I plead for protection for Canada's sake and for the sake of every interest in Canada. I believe that protection should protect the consumer against unjust prices just as truly as protection protects the manufacturer against unjust competition. The only chance the Canadian manufacturer ever had to show what he could do in mass production was in the war. The work of Canadian manufacturers and Canadian men and women in the shell industry proved that Canada's industrial genius equalled the industrial genius of any other country on earth. I believe that protection should equalize conditions so that the Canadian manufacturer who manufactures in small units should have the chance to live in competition with the American manufacturer who manufactures in large units. A truly national policy would cover the difference in cost and price ratio between agricultural implements made in small units in Canada and agricultural implements made in large units in the United States. The tariff should cover that difference. A truly National Policy would not allow the Canadian farmer or any other consumer to be stung for an unfairly high price for agricultural implements, automobiles or any other production of Canadian industry. A truly national policy would provide an excise duty that would put into the public treasury every cent charged for agricultural implements or automobiles or any other product manufactured under protection a price that represented fair wages to the workman and fair profit to the manufacturer. I know this proposal will be met with the shout of "paternalism." I would sooner have the paternalism of a protectionist government than the paternalism of the Winnipeg Grain Exchange and its allies, and the paternalism of a free trade that robs the growers of the best wheat in the world out of $25,000,000 per annum in the price of wheat, and puts that $25,000,000 into the

pockets of the Americans who handle that wheat. We will have to have more paternalism in the management of this country's reserves and the promotion of this country's welfare.

I plead for a departure from this free trade law of supply and demand and acceptance of the principles of the old National Policy in our dealings with all provinces from Yukon to Prince Edward Island. I plead for a departure from the free trade law of supply and demand and an application of the principles of the old National Policy to other industries in this country from the manufacturing of agricultural implements up to wheat growing. Leave the wheat growing industry of the West to the workings of the law of supply and demand and that law would not fill the West with wheat growers. If that law did fill the West with wheat growers, wheat would not be worth 50 cents a bushel. The free trade law of supply and demand now costs the wheat grower of the West $25,000,000 per annum. I am advised, and believe, that free trade conditions supported by those free trade organizations, the grain exchanges, keep $25,000,000 per annum out of the pockets of Canadians who raise high quality wheat, and put that $25,000,000 per annum into the pockets of the native and alien exploiters who handle high grade Canadian wheat. The Progressive and non-Progressive sections of the Liberal party support grain exchanges and oppose grain inquiries. That party or those parties would sooner talk about agricultural implements than to try to protect the wheat growers of the West by a departure from free trade conditions. The only cure for these free trade conditions is a return to the ideals of the National Policy, the application of the principles of protection. Free trade conditions have failed to maintain the identity of Canada's high grade wheat from the point of production to the ultimate market for that wheat. On this point I can quote the words of a writer who has studied the wheat business and followed the course of the grain inquiry.

> Positive evidence was found by the Royal Grain Commission at its sessions in Buffalo and New York in October that in spite of the governmental safeguards thrown around Canadian grain passing in bond from Buffalo, Cleveland and Duluth to Europe, United States soft wheat is steadily and persistently mixed in with this superior hard grain from the Canadian northwest. The extent of this practice only is in doubt. The London Corn Exchange has taken up the most flagrant case disclosed and it is in litigation now. Opinions vary widely with reference to what it costs the Canadian producer by failure of Washington restrictions to preserve the identity of this grain it undertakes to handle in bond but with the increase of the duty in the States levelled against Canadian grain the motive for this bootlegging of Canadian grain passing through the States is nearly doubled. Until two months ago the duty on Canadian wheat entering the States to remain there was thirty cents. By the new regulations it is forty-two cents. The increased temptation to substitute United States grain for the Canadian article operates in this way: A certain quantity of Canadian hard wheat must be used by American millers to turn out a quality of flour relatively the equal of that milled in Canada. This averages 25,000,000 annually and is increased at the rate of three or four million bushels annually. In other words, every bushel of this hard grain that can be removed from the cargoes passing in bond from Buffalo and other border points and a bushel of soft United States grain substituted means practically double the duty for the doctored cargo is still protected by the Canadian certificate and has been sold on that grade and under the practice must go through and the buyer pay for it unless he can establish that it is a substituted article. The soft wheat is disposed of on the Canadian hard wheat basis and the hard wheat extracted which remains in the United States to be milled pays no duty and takes the place of forty-two cents worth of hard wheat which some United States mill would have to bring in from Canada.

[Mr. Church.]

The Progressive party in this House has in the result proved itself to be the friend of the American implement manufacturer, the grain exchanges and other big interests that take an unfair profit, conservatively estimated of $25,000,000 per annum out of the constituencies of the so-called Progressive party. Wheat growers are entitled to a quality price for quality wheat. They will never get that price so long as the free trade law of supply and demand is operated so as to loot the industry that grows the wheat and enrich the interests that handle the wheat. A party that has in effect allied itself to the interests I have described which take out of the western farmer $25,000,000 every year, accuses the Conservatives of being the allies of the big interests that manufacture agricultural implements. I can speak for myself, and I believe for the Conservatives when I say that we serve no big interests and we receive support from no big interests. Some of us have suffered in the battle against the big interests and are prepared to suffer again. The Progressive party shouts "Stop, thief!" against the agricultural implement industry in Canada and the Council of Agriculture calls the manufacturer an exploiter and plunderer while the big interests I have described that hide under the Progressives' platform are plundering the western wheat grower out of $25,000,000 per annum. I hold no brief for the Canadian agricultural implement industry. I do not know any other Conservative member who does. If any other Conservative member feels that he owes some gratitude to the Canadian agricultural implement industry he can speak for himself. The agricultural implement industry did its best to keep the Drury government in power in Ontario and

failed. The western farmer should realize that the agricultural implement manufacturer and all other manufacturers did not begin to plunder the western wheat grower as the western wheat grower is plundered by the allies of his own party and the erroneous policy of his own leaders. The value of the agricultural implements made in Canada is estimated at $26,000,000 per annum. The value of agricultural implements imported into Canada in the last year of record is $12,000,000 per annum. The estimated number of Canadian hands employed in the manufacture of farm implements and agricultural machinery is 15,000. The estimated number of hands employed in the manufacture of farm implements and agricultural machinery in the United States for export to Canada is 6,000.

The Progressive party does not seek to disturb the free trade conditions that enable aliens and native big interests to take an unfair profit of $25,000,000 per annum out of the grain growers and united farmers who handle high quality wheat. The Progressives who are not progressive and the Liberals who are not liberal did seek to destroy the same protectionist conditions that enabled 15,000 of their own countrymen to earn a none-too-generous living in the manufacture of farm implements and agricultural machinery. Canada's demand for farm implements now supplies an industrial population of 25,000, counting workers and their dependents in the United States. The whole aim of this tariff is to depopulate the industrial centres of Canada and populate industrial centres in the United States. If this tariff succeeds the $26,000,000 worth of farm implements and agricultural machinery now made in Canada will be made in the United States. If this tariff succeeds 15,000 returned soldiers and other Canadians and Britons now employed in the manufacture of $26,000,000 of farm implements in Canada will manufacture the same implements in the United States. The big interests that handle Canadian orders for farm machinery and agricultural implements in the United States will plunder the western wheat grower and other Canadian farmers just as the western wheat growers are plundered out of $25,000,000 per annum by the American big interests that pay low prices for high quality Canadian wheat. If free trade conditions are so profitable and the law of supply and demand is so excellent in its workings, why do not the gentlemen opposite depend for their supply of railways on free trade competition between the Canadian Pacific Railway and the Canadian National Railways? Why do they not leave the building of the Hudson Bay railway to the free trade law of supply and demand? The whole free trade policy is a policy of greed beyond any greed ever dreamed of in the creed of protectionists. The whole country is to be taxed to build a Hudson Bay railway that is to carry wheat to a part where the wheat will be exchanged for goods. The goods made by producers who do not pay a cent in taxes for the railways, are to be consumed by a population that does not spend, and does not want to spend, a cent in wages for their own countrymen. How are these countrymen to help pay for the Hudson Bay railway and all other railways if free trade conditions are to isolate the industries of the West from the general economic life of the country? The number of farmers in the West is misrepresented in this parliament. The farmers of Ontario have always shown themselves patriots on the battlefield and protectionists in the polling booth. Free trade theories have already encumbered the western wheat grower with conditions that rob him of $25,000,000 per annum. Free trade conditions must be supplanted by protectionist principles in the shipment of grain, in the solution of the insurance problem and, if necessary, in the excise and export duties, or the wheat growing industry will be ruined.

Canada is able to offer two possible answers to a United States tariff increased to 42 cents per bushel on Canadian wheat. Answer No. 1 should be written in regulations that will prevent the Canadian milling combines and grain exchanges from wolfing the Canadian wheat grower out of his crop at low prices. Answer No. 2 should be written in a tariff of export duties that will make it impossible for United States millers to import a pound of Canadian wheat. Exclusion of Canadian wheat from the United States market must mean the exclusion of United States flour from every export market. Flour ground out of American wheat cannot compete in the export markets of the world with flour ground out of Canadian wheat. Let the United States increase the American duty on Canadian wheat. A higher United States duty on Canadian wheat will compel the American millers to seek, and vainly seek, an export market for the inferior flour they are able to feed to their own people.

The American tariff does not much affect the American export as rebates are made on all wheat imported and ground into flour which is exported. The United States looks after its millers as will be seen from this despatch to the Mail and Empire of Toronto:

Little Effect Felt in Canada From New U.S. Tariff on Wheat

Exports Became Greater as Date of Increase Drew Near—American Officials Look for Bigger Volume in This Class of Business.

Ottawa, April 14.—The new United States tariff of forty-two cents per bushel on wheat went into effect last week, but it had no effect here nor in any other part of the country, as far as officials can learn. As the date for the incoming of the increase drew near exports of wheat to the Republic increased, chiefly of that intended for milling in bond for export purposes.

The information here is that American federal trade officials consider that a considerable increase in this class of business is to be expected. If the American mills cannot get at a reasonable price Canadian wheat for mixing for flour for home they will get more to mill in bond for export. As a matter of fact, during the last month the number of bonded United States mills grinding Canadian hard wheat for export has increased from two to six.

Many Americans who follow the milling industry closely are of the opinion that one of the effects of this higher duty on wheat will be to make Buffalo, rather than Minneapolis, the centre of the hard wheat grinding in bond for export business. The largest mill of this kind is now located at Buffalo. It has a capacity of 12,000 barrels, and the company operating it is building another there. Further evidence of the tendency for this form of industry to locate in Buffalo is to be seen in the additional fact that the well-known Palisade mill at Minneapolis is being taken down and transferred to Buffalo.

Ontario gave to Adam Beck the chief stewardship of $160,000,000 invested in Hydro on behalf of 2,200,000 shares in Hydro properties. The results that Adam Beck achieved by his stewardship of Hydro are set down in the following statement:

1. Every dollar of the $160,000,000 Hydro investment is earning interest and sinking-fund.

2. Hydro investment saved Ontario from a coal famine that would have bankrupted the province in war time.

3. Hydro investment saved 2,200,000 shareholders over $75,000,000 in reduced coal, light and power bills.

4. Hydro investment saved Ontario over $100,000,000 on coal prices, which would have gone to $30 per ton in war time but for the Hydro investment that gave Ontario the equivalent of 3,000,000 tons of United States coal per annum.

The force in the national life of Canada that most truly proved itself Liberal in the best sense and Progressive in the best sense of those two much abused words, Liberal and Progressive, is the force represented by the Hydro Conservatives in Ontario. The triumphs achieved by the Hydro Conservatives of Ontario under the leadership of Sir James Whitney and Sir Adam Beck have cut Ontario's coal consumption in half, and cut 75 per cent off Ontario's light and power bills. If free trade as worked out in the alleged competition of private ownership conditions in Quebec has given Quebec or any other province cheaper light and power than protection, as worked out by public ownership, with its support of competition, has given Ontario I congratulate that province. I believe that a comparison of light and power bills under public ownership as established by the Hydro Conservative protectionists of Ontario would show that Ontario pays the same relationship to three cents per unit that Quebec pays to eight cents per unit under private ownership, as established by free traders, in excess charges for light and power. The Hydro Conservatives of Ontario are the protectionist party. They supply the protectionist principles of public ownership, and if any gentleman doubts that public ownership is a protectionist principle I reply that public ownership is protectionist in the true sense of utilizing the public resources of the country for the benefit of the people of the country. Protection as applied by the Hydro Conservatives of Ontario has fought the battles of the masses against the classes, of the people against their oppressors; I mean what the Hydro Conservatives have done for the sections of Ontario that get their power from public ownership; I mean what the Hydro Conservatives of Ontario were prevented from doing for the gold mining country that is forced to get its power from private ownership. The Hydro Conservatives of Ontario supported Adam Beck in his effort to electrify the Temiskaming and Northern Ontario railway after Sir James Whitney's great victory in 1905. The Hydro Conservatives wanted to protect the mining industry with a supply of Hydro power at cost. The Hydro Conservatives believed with Adam Beck that the Temiskaming and Northern Ontario railway should be electrified, and that that railway should serve as a trunk power line. From that trunk line, power could be carried to every camp opened up in the mineralized zone.

The gold and silver areas of Ontario have produced since 1895 a total of $150,000,000 in silver and $125,000,000 in gold. The gold and silver production in Ontario supports a large population. That gold and silver production was achieved, that population was supported, under free trade conditions that leave the supply of power to the workings of the free trade law of supply and demand. The workings of that law have failed to protect the mining industry, as the workings of that law must fail to protect every industry. The Hydro Conservatives were kept out of northern Ontario with their great protectionist principle of hydro power at cost. Northern Ontario was forced to depend

on the free trade law of supply and demand for power. The results of that dependence are seen to-day in the importation of a supply of power that has proved so uncertain in quantity and so high in cost that Diessel engines are being brought into some mining camps from Germany. That is what comes of leaving the great industry to free trade. Mining camps in the midst of natural water-powers have to bring in engines from Germany to manufacture power produced from American oil cheaper than they can buy power produced from Canadian electricity. If protection in the form of hydro power at cost had got into the camps of northern Ontario when the Hydro Conservatives fought, and fought in vain, to help Adam Beck put in that power in 1905, the population of northern Ontario to-day would be 400,000 instead of 30,000; the gold and silver production of northern Ontario to-day would be at least $300,000,000 per annum instead of a yearly production of $6,000,000 in silver and $20,000,000 in gold or a total yearly production of $26,000,000.

This budget is described as a new national policy. Free trade is going to build up a mining industry in Canada by taking away the manufacture of drills and other mining machinery from Canadian factories and putting that manufacture in the hands of wage earners in American factories. We are told that gold and silver production is to be encouraged by a tariff change that will reduce the price of drills by $40 per drill. The Hollinger mine with its gold production of $12,700,000 per annum is worked with less than 1,000 drills. The budget will reduce the tariff or other revenue taxation on the Hollinger mine on drill account by $20,000 per annum; taking the life of a drill to be two years. That is the boon that free trade has to offer to the Canadian mining industry. The mining property that is not rich enough to buy mining machinery manufactured in Canadian and other British factories is no good to Canada. The mining industry will not justify our hopes or fulfil our expectations if that industry is to give dividends to aliens and patronage to alien factories, leaving nothing to Canada but the holes in the rock surrounded by shacks and company stores. I have no faith in free trade conditions as applied to mining industries. The mistake of Sir James Whitney's lifetime was when he surrendered to the anti-Hydro Conservatives who blighted the mineral future of northern Ontario by applying the free trade law of supply and demand to the production and distribution of power. That free trade law has kept back mineral production in Ontario eighteen years. That free trade law to-day makes it cheaper for some properties to be developed from electricity produced by Diessel engines imported from Germany than from electricity generated by the energy of Canada's own water-powers. That free trade law has restricted Ontario's production of gold and silver to $2,000,000 per annum, when protection in the form of hydro power would have enlarged that production to $300,000,000 or $400,000,000. That free trade law has restricted the population dependent on Ontario's mining industry to 20,000 when protection in the form of hydro power would have enlarged that population to 400,000.

I uphold protection and want protection applied in the form of customs duties, excise duties, insurance rates, shipping and navigation laws, railway rates, public ownership in the production and distribution of light and power and in transportation. I believe that the principles of protection can be applied in an enlarged and modernized national policy so as to add an industrial population of 10,000,000 workers and their dependents to the population of Ontario. I believe in protection because I believe that the right sort of protection is the friend to every province and of every industry in every province. I would put export duties on the shipment of newsprint to the United States. With the proceeds of these duties I would help to solve British Columbia's Asiatic problem and Canada's coal problem and every economic and industrial problem.

Free trade in the British Columbia fishing industry creates an Asiatic problem in that industry. We leave the fishing industry of British Columbia to the workings of the free trade law of supply and demand. These workings provoke complaints to the effect that Asiatics are driving Canadian-born and other British-born fishermen out of that industry. The total of 6,439 fishing licenses was issued in British Columbia in 1923. Of these licenses 3,046 were issued to British-born fishermen other than Indians, 1,668 to Indians and 1,725 to Asiatics. I believe that the principles of protection properly applied would put the fishing industry of British Columbia on a British-born basis. The proceeds of export duties would supply them with British-born fishermen so that fishermen born in Asia and other non-British places would be crowded out of the fishing business by subsidies granted to British-born fishermen. I believe that the principles of protection in the form of sub-

sidies to British-born fishermen would go far to solve British Columbia's Asiatic problem. I am certain that free trade conditions will never help in the solution of that problem. I am equally certain that adherence to free trade conditions will never build up Vancouver. As Chairman of the Toronto Harbour Commission I represent all the citizens of Toronto, as well as my own constituents, in congratulating Vancouver on the traffic in and out of that harbour. I rejoice as a protectionist and as a Canadian in the figures showing its growth.

The people of Toronto and all the people of Ontario will be glad to hear that the port of Vancouver is prospering. The report comes east that as many as thirty ships a day are in Vanccouver harbour waiting for grain cargoes. If the wheat growing industry of the Canadian west had enjoyed protection in the form of protectionist insurance conditions and other shipping conditions, a hundred or a hundred and fifty ships should be waiting for grain cargoes in Vancouver harbour.

Canada's wheat growing industry has no future if that industry is to be based on free trade conditions of shipment. These conditions permit the alien or native middleman to keep the Canadian wheat grower from getting a quality price for his quality crop. Free trade conditions of shipment permit the identity of Canadian wheat to be destroyed in transit. The high quality of that wheat is turned into high prices for the alien or native middleman who handles the wheat. Protectionist conditions of shipment would protect the identity of Canada's wheat in transit, and turn the high quality of that wheat into high prices for the Canadian producer who grows the wheat. The prinicples of the good old National Policy should be applied to join the wheat fields of the prairies to the port of Vancouver thus promoting the growth of British Columbia.

The principles of the good old National Policy should also be applied to join the coal fields of Alberta to the furnaces and kitchen stoves of a great section of Ontario. The coal fields of Nova Scotia should also share with Alberta the benefits that would follow an attempt to apply the principles of protection to the problem of Canada's coal supply. My motto is Canadian coal for Canadians. The principles of protection should fast be organized into an economical system that will ensure an all-Canadian or other all-British supply of fuel to take the place of the almost 3,000,000 tons of American anthracite and almost 11,000,000 tons of bituminous coal consumed in this country. The exact figures are 2,814,650 tons anthracite and 10,583,396 tons bituminous coal imported from the United States in the last year of record. Let the supply of all-Canadian or other all-British coal be assured, and then put on a duty that will not permit a ton of American coal to be sold in Canada. Canada's money now goes out in payment for $24,705,536 worth of American anthracite, and $39,281,245 worth of bituminous coal, every year. These figures mean that Canada's coal bill pays $32,000,000 in wages to 15,000 United States workers every year. These figures means that Canada's coal bill maintains United States workers and their dependents almost equal in number to the population of Ottawa. These United States workers and their dependents should be Canadian workers and their dependents, earning good wages around the coal mines of Alberta and Nova Scotia, and helping to supply a home market for the products of Canadian agriculture. The distribution between Nova Scotia and Alberta of the $64,000,000 that now goes to pay Canada's yearly coal bill to the U.S. would help to spread prosperity beyond the bounds of these provinces. The protectionist policy of power at cost would have given Ontario a gold and silver production of $250,000,000 or $300,000,000 per annum instead of, as in 1923, a production of 1,000,000 ounces of gold valued at $20,000,000, and 11,000,000 ounces of silver valued at $7,000,000 a total value of $27,000,000 per annum. The protectionist policy of power at cost would have given Ontario a population of 80,000 miners and their dependents instead of a population of less than 10,000 miners and their dependents. The free trade fad of removal of duties will never do anything for the mining industry compared to what would have been done for the mining industry by the Hydro-Conservative protectionist principle of power at cost.

Ontario would not profit any more than the western provinces would by the establishment of National Policy principles enlarged to meet the needs of the present hour as the economic law of this country's relations with the United States. Canada's imports from the United States reach the appalling figure of $532,633,384. This total of imports from the United States includes raw cotton to a value of $123,334,627. Canadian protectionists cannot look forward to a native supply of raw cotton but they must live in the hope of a good time coming when Canada can get cotton from consumers employed under the British flag instead of competitors under a foreign flag. Imports of raw cotton and the balance of $400,000,000 goes from Canada every year in payment for imports from the United States.

These imports include a wage bill that employs not less than 700,000 American workers and their dependents in the production of exports from the United States which take the form of imports into Canada. The sort of protection I believe in is the protection which had its foundations in the good old National Policy. These foundations should be built upon in the extension of every industry in every province. The fishing industry, the grain shipping industry, and the industries of British Columbia need protection. The wheat growing industry of the prairie provinces needs protection against free trade conditions. These conditions now permit the Canadian wheat grower to be plundered out of $25,000,000 per annum for the benefit of America and native middlemen. The coal-fields of Alberta and Nova Scotia need protection against the free trade or semi-free trade conditions that now permit these fields to be isolated from the demands of the home market. That market absorbs $64,000,000 worth of Canadian coal every year. That $64,000,000, or at least an overwhelming percentage of it should stay in Canada. Canada's home market for coal should provide wages for 15,000 Canadian miners instead of the same number of American miners. Canada's home market for coal should support seven or eight bright Canadian towns, populated by 15,000 miners and their dependents, instead of supporting the same number of towns in the United States. The record of imports from the United States shows American imports of $400,000,000 exclusive of $123,000,000 worth of raw cotton imported. The record shows $200,000,000 in wages paid to Americans engaged in the production of products for the Canadian market. That $200,000,000, or a large proportion of it, should be paid in wages to Canadians in their own country.

I am not uttering whispers of death. Every member of this House knows conditions in his own constituency. He knows that no basic industry in Canada could be built up so as to serve Canadian industry, Canadian mills and Canadian workmen without protection. There are hon. members here representing constituencies that are not losing Canadians to the United States. I am glad of it. I wish I could say the same about by own constituency and the other constituencies in the city of Toronto and the constituencies that I know something about in the province of Ontario. I am no specialist in the Book of Exodus or the Book of Lamentations. Canada's life past and present is an open book. On the pages of that book I can read the truth that this country has too long followed free trade prejudices in dealing with exports and imports, transportation, insurance and other conditions of economic life. Free trade or semi-free trade conditions have permitted foreigners to take—I am speaking from memory—a raw product of asbestos worth $9,000,000 out of the province of Quebec and turn that $9,000,000 worth of raw material into a finished American product that sells for $60,000,000. Everywhere and always in regard to every province and every industry free trade or semi-free trade conditions make us hewers of wood and drawers of water for the United States. I am not speaking in bitterness. I admire the Americans so much that I would imitate their praiseworthy tendency to look after themselves. Canada has too long halted between two opinions. This country has elected parliament after parliament that is nothing better than a debating society capable of nothing but talk on the abstract merits of free trade or protection. I believe that protection thoroughly understood and properly applied would have made Canada the home of at least 15,000,000 happy, contented and prosperous people. I believe that the free trade and semi-free trade conditions that curse Canada to-day support an American population of not less than 1,000,000 that gets its living out of American exports to Canada. I believe that protection would bring many of these workers and their dependents back to their own country. I believe that protection would transplant a wage bill of at least $200,000,000 to Canada. I believe that protection would so stimulate the agricultural, industrial, and commercial life of Canada that another $200,000,000 would be added to the wages paid in Canada. Free trade or semi-free trade conditions rob Canada of a population of at least 1,500,000 Canadian and other British workers including 13,000 Canadian Expeditionary Force returned soldiers who should find homes and prosperity in peace, under the flag they defended in war.

I am a protectionist. The protection I believe in is not for the manufacturers' sake but for the country's sake. I am a protectionist, not for the sake of ill-will to the United States, but for the sake of good-will to Canada. I have no ill-will to any allied country, but I would apply to the upbuilding of Canada, yes, and to the upbuilding of the British Empire, the great protectionist ideal the Americans have followed in building up their own country. The Americans export 882 million dollars worth of United States products to Great Britain and 911 million dollars worth of United States products to the British Empire, exclusive of Great Britain of which Canada takes 652 millions every year—the best argument for preferential trade within the Empire. Great

Britain or the British Empire is not offended while the United States passes an immigration law that restricts the number of Britons who can enter the American republic to 70,000 per annum. The United States could not be offended and would not be offended if the exclusion of British-born producers from the American labour market was answered by the exclusion of American made products from all British markets. The wider question of protection or free trade as applied to the nations of the British Empire outside of Canada belong to the parliaments of these nations. The question that belongs to us is the question raised, not by a theory but by the conditions, that confront us. Free trade or semi-free trade conditions have been tried and found wanting. These conditions must more and more depopulate Canada and populate the United States. I plead for a restoration of the good old National Policy. That policy and that policy alone represents the principle—the great principle of protection—that alone can unify Canada. It is true we applied protection to import duties, to export duties, to the supply of power, transportation and insurance to every industry in every province, and this gave protection a chance, Canada a chance and the British Empire a chance for life, strength and prosperity.

The new national policy of the Liberals is all estimate and no saving, so we need not lay much emphasis on the phrase used in this House "estimated savings." No doubt some of the implement manufacturers will feel happy over it in the land of the Star Spangled Banner. What will it profit the average Canadian if his taxes are $2.70 less if his earnings are interefered with by tariff tinkering and if he has to migrate to the United States? Canadian agriculture is the most imperial and least continental of all the Canadian industries and interests. The British Empire's fortunes govern the fortunes of Canada's farmers more closely than the fortunes of that Empire govern the fortunes of our industrial workers. Canadian agriculture has progressive leaders who talk reciprocity and free trade, as if the British Empire meant nothing and the United States meant everything to the farmers of Canada. Canadian agriculture unfortunately follows leaders whose policy will have the effect of wrecking the whole British Empire and Canadian nation while securing in return not an effective pledge or contract but a promise impossible of fulfilment of 5 cents per bushel more for Canadian wheat, $1 per head more for Canadian cattle and $2 more per head for Canadian horses in the United States. Ontario smashed the Drury's, the Doherty's, the Morrison's and other foes of that agricultural province. The worse opponent of the western wheat farmers is the policy of the gentlemen on my left and the anti-Conservative premiers, Hon. Mr. Bracken of Manitoba, Hon. Mr. Dunning of Saskatchewan and Hon. Mr. Greenfield of Alberta. The elevator monopoly and other domestic agencies of grain manipulation rushed to the courts for technical defence against inquiry into the operations of the grain interests and their allies.

The Union government instead of going to the country should have gone on with the grain inquiry and not have the high court of parliament submit to the technical injunction granted by a judge. The Grain Growers' Association supported by the western members, headed by the hon. member for Marquette, were the chief allies of the elevator and other agencies of grain monoply against inquiry.

One of the greatest questions before the country to-day is that of transportation, and I am sorry to see, after the inquiry into the lake shipping combine, that the government has decided to sell a large number of the merchant marine vessels, because the only opposition that this shipping combine had on the lakes was in the boats of the Canadian Government Merchant Marine. They could have gone from the ocean to the head of the lakes with coal and the manufactured products of the East and from the head of the lakes back again with the basic products of the West.

The exports of the United States to the British Empire alone in 1923 amounted to pretty nearly one and three-quarter billion dollars. Argentina took 33 per cent of her total imports from the United States in 1920 as against 15 per cent in 1913; Brazil in 1921, 32 per cent as against 16 per cent in 1913. Chili, 32 per cent as against 17 per cent; Peru, 55 per cent as against 28 per cent; Australia in 1920, 24 per cent as against 12 per cent in 1913; New Zealand 19 per cent as against 10 per cent; India in 1921, 10.5 per cent as against 2.6 per cent in 1914; China in 1920, 18 per cent as against 6 per cent in 1913; Egypt in 1921, 15 per cent as against 2 per cent in 1913. So we see that the United States, as a result of the war, and with a great merchant marine, has gone out into the seven seas to-day and is turning the balance of trade against the British Empire, including Canada, and every other country in the world.

These are some of the causes of the agricultural and general depression:

1. The continued economic depression in agriculture.

2. Inequalities in prices between agricultural commodities, resulting in a relatively inadequate return to the farmer for his labour and upon his investment.

3. The existence of surpluses available for export in agricultural commodities.

4. The necessity in part for the existence of such surpluses in order to safeguard the domestic market against uncertainties of yield, and the economic impracticability of immediately preventing the continued production of such surpluses.

5. The dependence of the prices of such surplus commodities upon the lower prices in foreign markets due to unsettled world conditions and lower costs of production.

6. The loss of purchasing power in the great food consuming countries consequent upon the Great War.

7. The practically prohibitive tariff of the United States, in the main directed against Canadian farm products.

8. Deflation of prices, in particular of grain and live stock, without similar reductions in his costs of operation.

9. A period of high prices in money, labour, exchange, materials, high freight and passenger rates brought about by the war and world disturbances. of industrial equilibrium.

10. Instability of tariff and tariff tinkering.

11. Tinkering with the sales tax.

According to the experts every million dollars' worth of coal and steel imported into Canada displaces 500 men who should be employed in Canada and not in the United States, and that is true of various other industries which I have described.

It seems to me that the main game which is being played in this legislature by the Progressives and the Liberals is the game of rugby. The football used is the dinner pail, the strong boxes, the tariff tinkering, the budget and the sales tax. But when you kick the football to and fro like that, it is going to lead to depression, instability in tariff, unrest and many other conditions of hard times. To-day the manufacturer and the toiler in the cities and towns of Ontario are wondering what is to become of them.

As regards the income tax I am surprised at the answers of the government, that they cannot tell what the income tax bill of Toronto is. A return was brought down in the House the other day, and it is, if not the most illustrious, the most illuminating document ever brought down by the respected and honourable Secretary of State (Mr. Copp), who is one of the most obliging ministers I think we have. Hon. members from the city of Toronto asked what the amount of income tax from Toronto was, and the answer was that Toronto is not a district, but that it is linked up with London, Hamilton, Guelph and many other places and they cannot give any amount. I read the Globe, and the Globe to-night says that of nine million dollars collected from this district, eight million dollars belongs to Toronto, and one million dollars for the rest of the district from London right up to the head of the lakes. Therefore, if the minister cannot get the information, I would refer him to this evening's Globe.

Another return brought down shows the customs returns for Toronto as $28,000,000. The customs returns, according to the return presented by the Collector of Customs of Toronto, amounts to $60,000,000 for the present year. The sales tax is another important item, and the post office receipts of Toronto amount to some $6,000,000. That magnificent organization, the Canadian National Railways, say that they cannot tell us what they are making in Toronto, Hamilton or Oakville. The answer which is given to that particular question by Mr. Graham Bell, is so illuminating that I think the House should receive the benefit of it. The management of the Canadian National Railways advise that it is impossible to give the revenue earned by the Canadian National Railways in the form answered by the hon. gentleman. The question was:

What are the earnings of the Canadian National Railways in Toronto and in Ontario?

It was the old province of Ontario in which the Grand Trunk made all its money. They took $122,000,000 worth of credit and $22,000,000 worth of cash out of the Grand Trunk and they invested that in that western scheme known as the Grand Trunk Pacific, with the result that the Grand Trunk went bankrupt in Ontario with no money for extensions, betterments, branch lines or stations, or for the building of a station in Toronto or the Toronto viaduct. Originally the city of Toronto spent $15,000,000 providing a right of way.

Before I leave the railway situation, I may say that the Canadian National Railway management object to telling us the salaries of the higher paid officials in that railway. According to the order in council, the salary of Sir Henry Thornton is $50,000 per year. They will give the salary of the head of that railway, but not the salaries of the officials under him. Is that not a nice business method in the administration of the Canadian National Railways? We are told that the Canadian National Railways must be taken out of politics. The Canadian Pacific Railway Com-

pany tell their board of directors all those facts. They have a schedule of the railway system before them every morning. They can tell down to a dollar what the Pacific division is making in freight and passenger traffic, what the overhead is, what the cost of operation is, the number of trains on time, the number of trains behind time, the number of freight trains hauled over that division. The same is the case of the prairie division and other divisions of the Canadian Pacific. They have that information before them next morning in the head office. But under the administration of the Canadian National Railways, the high court of parliament is not entitled to any information, if we are to believe their brilliant geniuses such as Mr. Graham Bell and others. I can say that the revenue of the National Railways in Toronto is the largest of any city in Canada, if not double that of any other city, and yet we cannot get a few million dollars to build a viaduct. We are not asking for a fabulous amount. Some ten or twelve years ago a contract was made. That contract was passed on by the non-jury sittings of the Supreme Court in the city of Toronto, by the Court of Appeals in Ontario, by the Supreme Court of Canada, by the Privy Council of this Empire, and finally by the Privy Council of the Dominion of Canada. It was decided in 1913 that the order was binding on all parties; that the parties had power to conduct; that the order was intra vires of this legislature; and that the Esplanade was a highway under the Railway Act. It is going to cost each of the railways about eight or nine million dollars, and it will cost the city of Toronto through its Harbour Board about the same amount. The city of Toronto has spent, as a municipality, $21,000,000 of its taxpayers' money on its own harbour. There is no city in Canada which has contributed, as Toronto has done, one cent of the taxpayers' money to the upkeep of its harbour. Has Vancouver done so? No; nor has Quebec. Money has to be voted by this parliament for the purpose so far as these cities are concerned; but out of a cost of $26,000,000 incurred in the city of Toronto the taxpayers have supplied $21,000,000, only some $5,000,000 or $6,000,000 being put up by parliament. That $21,000,000 was the hard-earned money of the manufacturers, the workingmen, the business men and the taxpayers generally of the city. The total cost of the Toronto viaduct to this parliament would amount to about $8,000,000 or $9,000,000 spread over three or four years, or the cost of one or two branch lines. Our free trade friends have great confidence in the law of supply and demand, and we shall be satisfied if they will apply the same principle in the case of the Toronto viaduct; for I can assure this House that if the work in connection with the viaduct is carried to a completion it will more than justify the expenditure which this parliament may vote towards it. With the increased volume of business which would follow, both in freight and in passenger traffic, the viaduct would pay for itself.

[Mr. Church.]

Coming now to the post office, some questions have been asked about the receipts in the city of Toronto. In this regard, it will interest the House to know that the receipts of the post office in Toronto are equal to those of many cities put together, having amounted last year to the sum of $5,798,000. This year it will exceed $6,000,000, and notwithstanding this fact the city of Toronto cannot get decent post office accommodation. It has to put up with a lot of ramshackle buildings in which its business men find it extremely inconvenient to do business. In this connection, I must express my disappointment at the fact that the budget has not disclosed a return to the two cent postal rate. This reduction would in my opinion be a step in the right direction, because nothing retards trade and commerce so much as high postal rates.

So far as the sales tax is concerned, it seems to me that the ingenuity of a Philadelphia lawyer is required to work out the government's scheme, which strikes one as a makeshift affair. The impression that one gets is that we have a landed aristocracy and a retail aristocracy in Canada. The tax in its new form is on the basis of robbing Peter to pay Paul—one figure being taxed one class and another figure another class of the population. I believe that the city of Toronto pays between $8,000,000 and $9,000,000 of this tax, although it is difficult to get at the returns, that city being linked up with other places.

In regard to the Canadian National Exhibition, I may say that the taxpayers of Toronto have spent between $13,000,000 and $14,000,000 on grounds of permanent buildings, permanent exhibits, and so forth; and during the war the exhibition was continued, thus keeping up the morale of the people. How much has this parliament contributed towards the maintenance of that institution? In 1920 parliament voted $5,000 but in 1921 the grant was disallowed, and since then the Dominion has given nothing; it has not even offered what one might call pin money to this highly deserving national institution. The taxpayers of Toronto, I would add, have

also paid out of their pockets nearly $2,000,000 for the purpose of carrying on the educational work of the Department of Agriculture, having spent this money on the erection of a Coliseum for the Royal Agricultural Winter Fair. But out of this expenditure the city has got nothing, although other parts of the country have profited thereby.

I hope that this year something will be done to improve present conditions in regard to the income tax. The United States are doing something for the working classes in that country in this connection, and I am personally absolutely opposed to any double-header tax; I do not believe that people should be called upon to pay an income tax to the Dominion in addition to what they pay to the city. On May 1, the income tax will be payable to the Dominion and on May 9 to the city of Toronto, and this double tax reacts on all the working classes of the city. In my opinion no one should be called upon to pay a federal income tax on an income below six or seven thousand dollars; and as a matter of fact I do not know whether it is just constitutional to compel people to pay that tax to the Dominion at all. To my mind, it is just a question whether this parliament has power to impose an income tax upon the people except for war purposes or for the purposes generally of militia and national defence. And the war having concluded years ago, I think the time has come when we should do away with that tax because it bears heavily on small wage earners in the cities and towns. Even the poor school teacher has an income tax to pay as well as those who are in better financial circumstances than himself.

With regard to the subject of public health, I want to say a word in approval of the policy of President Coolidge, who has appointed a commission to look into the question of public recreation and to formulate a programme in this connection. A few years ago we had no public health department in this country, but such a department having been established is now doing good work, and I would commend to the attention of the government what President Coolidge has done in regard to outdoor recreation for the people. No doubt some responsible minister of the Crown could take this matter up and do something for the good of the people.

Before I conclude I want to say a word concerning the necessity of a grain elevator in Toronto.

Some hon. MEMBERS: Oh, oh.

Mr. CHURCH: Hon. gentlemen may laugh, but if that is all the argument they have it will not carry much weight. No doubt a similar reason prompted Oliver Goldsmith to write the following lines:

> The watch-dog's voice that bay'd the whispering wind,
> And the loud laugh that spoke the vacant mind.

Let me tell hon. gentlemen that their own party, the United Farmers of Ontario, represented by Mr. Manning Doherty, Mr. E. C. Drury and Mr. J. J. Morrison, proved to the Union government that Ontario was paying a huge sum of money for the establishment of grain elevators all through the West while that province had no central elevator of its own. They came down to Ottawa —a whole carload of them—accompanied by Mr. L. H. Clarke to make their representations; and I may say that I came with them as one of the harbour commissioners. We presented a memorandum to the government showing that neither Toronto nor central Ontario had an elevator, although Ontario grew a lot of grain for feed purposes, that an elevator was a great necessity, and that Toronto had been paying taxes to provide elevator accommodation for Alberta, Saskatchewan and Manitoba. Elevators are necessary to the grain growing provinces, and we hope they will get more accommodation of this character. A central elevator has recently been built in Edmonton, and another in Halifax—with a by-election in sight there. We had a number of old but small elevators in central Ontario some years ago, since abandoned, and we hope to have a government elevator established very soon, because we have had a promise from the former Minister of Trade and Commerce (Mr. Robb) that he would come up and study the situation.

In conclusion I may say that while I could go on indefinitely—

Sir HENRY DRAYTON: Go on.

Mr. CHURCH: Thank you. The hon. member for West York says: "Go on." He can go on himself if he wishes, I will give him part of my time. I have prepared, after a great deal of study extending over pretty nearly a year, a voluminous brief, and if he or any other member from the Toronto district wishes to carry on, I shall be very glad to hand this brief to him, although I could go on at greater length proving the psychology of protection and the need of its being brought up-to-date.

Mr. W. G. RAYMOND (Brantford): Mr. Speaker, I have listened with very much interest to the hon. member for North Toronto (Mr. Church) I am sure his account of the trials of Toronto tax-payers affected the House quite visibly, and, with others, I wept at his recital. I have to say that the constituency which I represent is probably more affected by the changes in the tariff than any other constituency in the country, and therefore it may seem appropriate that, although the hour is late, I should say a few words upon the motion and the amendment before the House.

I was trudging along the government highway contentedly when I came to a fork in the road—not necessarily spelt with an "e" Mr. Speaker—and surveyed the path. I thought I would keep to the right hand road, for that to the left seemed to lead down to a land of swamp and muskeg, of sloughs and quagmires, where parties were chasing that ignis fatuus, that will-o'-the-wisp,—free trade. It has been said that imitation is the sincerest flattery, Mr. Speaker, so I will endeavour to follow the very good example set by the Acting Minister of Finance (Mr. Robb), in his speech, which was a model of brevity and conciseness, and explain in as few words as possible my position upon this question.

In the budget presented by the Acting Minister of Finance there is, of course, a great deal that must be a source of congratulation to everyone in the country; there is no denying it. For the first time for many years the account has been settled on the right side of our national ledger; we have been able now to produce a surplus that will go toward reducing the national debt, and I look upon it as the turning of an important corner in the country's financial history.

Taking off the sales tax on many articles entirely and reducing it on some others is something for which also we must add a word of congratulation to the minister.

As to what he said about the condition of our national railways, I have always regarded the system as one of the most important to this country. It is a system that we should all watch with the greatest interest, for it is not only the greatest railway system in the world, it is Canada's greatest national asset, and upon it depends all our avenues of wealth, of commerce and of industry, all our basic industries, and every other industry. The progress that has been made by our national railways in the last year and a half in efficiency, in the service they render, and in the improvement of their financial position, is phenomenal. From the time when the president, Sir Henry Thornton, was appointed, is not much more than a year and a half ago, and what has been accomplished in that time is extraordinary and is something that should be a source of hearty congratulation to every Canadian who takes an interest in his country and feels the importance of this great national asset.

One matter that I should like to have seen touched upon in the budget—I have mentioned it before—because I think it is one of the forms of taxation which touch everybody, and perhaps the general population almost equally, is the war stamp on letters. I should like it to have been possible for the Acting Minister of Finance to remove this tax. We are almost the only country, I believe, that retains it. I hope the time will come in the not far distant future when the general taxation of the country will be reduced by the removal of the war stamp on letters. It would be a boon not only to business men but to correspondents all over the country and would do away with the anomaly that I pointed out last year, namely, that letters can be sent cheaper to Mexico and the United States than to the Old Country and many of our British possessions.

These are matters of congratulation; but when it comes to changes in the tariff I cannot congratulate the minister, I cannot say that they quite meet with my approval in the same way, and I shall endeavour to show the reasons why, and in doing so to point out that those reasons are applicable not only to Brantford, the constituency which I have the honour to represent, and to the province of Ontario generally, but to the whole Dominion. A great American, Bayard Taylor, said, that as no two human beings observed any object by the same ray of light, it could not appear exactly the same to any two of them; and it seems to me that I observe these tariff changes from a different point of view to that of any other member. Therefore I shall endeavour to justify my attitude, and if it seems to you, Sir, that I am ploughing a lonely furrow, I assure you I shall endeavour to do so with a Brantford plough.

I may say that duties on agricultural implements have a kind of history which, if you will bear with me, I will briefly relate. I believe in the time which has been so often referred to by gentlemen opposite, when the National Policy was introduced, the duty on agricultural implements was not less than 35 per cent. That duty was from time to time reduced,—indeed on an agricultural necessity of production, binder twine, it was removed altogether, and the article made free. We had then two factories in Brantford, and there were

some 24 throughout the Dominion; to-day we have one factory in Brantford and there are two others in Canada, the other 21 having vanished. Now, when the duty on agricultural implements was reduced in 1919 it was 22½ per cent on ploughs and 17½ per cent on binders. An additional 5 per cent was taken off in that year. The duty on binders was reduced to 12½ per cent, and on ploughs to 17½ per cent. Representations were, of course, made in this House. At the same time farm tractors below a value of some $1,400 or $1,500 were made free. The result was that in the next two years $20,000,000 of farm tractors were imported, and the two farm tractor industries in Brantford went out of that line of business entirely. That so much affected the industry in Brantford, and the feeling of the people in Brantford at that time—I am speaking of five years ago—was such that the representative of Brantford then found it necessary to vote against the adoption of the budget of his own party, because he was a loyal Conservative and it was brought down by a Conservative government. He voted against that budget protesting against the reduction of the duties on this industry, because it seemed as though the agricultural implement industry had been singled out for reduction ahead of all other industries.

Two years ago, in 1922, a still further reduction was made of 2½ per cent on ploughs and 2½ per cent on binders, reapers and mowers, reducing the duty on ploughs to 15 per cent, and on harvesting machinery to 10 per cent. At the time of the general election when I became a candidate in 1921, we had felt these various reductions in the duties on our principal industries, because as you are aware the agricultural implement industry is the principal industry of Brantford. The present duties will affect some seven or eight of our largest factories in Brantford, and at the time of that election the question of the duty was, of course, a very, very delicate one, and it was felt that it was not in the interest of the city, and not in the interest of the workmen in the industry and those who had their homes there, nor in the interest of the factories, that the duty should be still further reduced, and when I became a candidate at that time a part of my platform was that I would oppose any further reduction in the duties on the industries of Brantford, any duties that would act in a way that would be inimical to the best interests of the factories or industries of Brantford. I did not think at that time that I would be called upon in the first year I came into this House, that was two years ago, to see a still further reduction of 2½ per cent, which, as you will remember, was made; but that having been made, it seemed to me that we had reached the irreducible minimum on agricultural implements. The duties were then lower than on any other articles of manufacture that were made in Canada, and I thought, and it was the opinion generally of the people of the city and of those engaged in the industry, that having reached that point it should be considered the irreducible minimum, and that no steps should be taken below that to give American competitors the advantage of obtaining access to our market. Now when that is the case, I think that every member of this House will see that my duty is clear as far as this budget is concerned, with reference to those resolutions that still further reduce the duty on agricultural implements.

Mr. SUTHERLAND: Was it not the policy of the party which the hon. member represents to remove the duty entirely from agricultural implements?

Mr. RAYMOND: Do you refer to the reduction made in 1919?

Mr. SUTHERLAND: I am referring to the tariff on agricultural implements.

Mr. RAYMOND: The tariff on agricultural implements in 1919 was reduced by the government then in power, and that was not the government of the party of which I am a member.

Mr. SUTHERLAND: I am referring to the issue in the last election. Did not the hon. gentleman support the policy of the party with which he is now associated, which was to remove the tariff entirely on agricultural implements?

Mr. RAYMOND: That was never a part of my policy. I will tell the hon. member from South Oxford (Mr. Sutherland), I was not in politics in 1919, if he refers to that platform. I never subscribed to it, I had nothing to do with it, and I was not in politics at that time. When I referred to that year I was referring to the reduction of the duty on agricultural implements that was made by another party, not the one I belong to, when they reduced the duty on ploughs from 22½ per cent to 17½ per cent and on harvesting machinery from 17½ per cent to 12½ per cent, when they made tractors free and swept two tractor industries out of Brantford, and led to the importation in the next two years of $20,000,000 of American tractors. The hon. member must know what party was in power

in 1919. With me it is not so much a matter of party; it is a matter of principle. My idea is this: Whatever party it comes from or came from, there is a lack and has been a lack of equity in the placing of the tariff on agricultural implements. I fail to see the reason why they alone of all articles in the tariff should be made to sacrifice; that is my position. It has been done not by one party, nor by the other alone. This party here took off 2½ per cent last year, but before that when there was not the same demand for it, when the West was not making the same appeal for it, the reductions I have spoken of were taken off in 1919.

Mr. SUTHERLAND: Was my hon. friend a candidate in 1919?

Mr. RAYMOND: No. When I told my hon. friend I was not in politics in 1919, he might have understood that I would not be a candidate because I could hardly be a candidate without being in politics.

Mr. MEIGHEN: Does the hon. member say the reductions of 1919, from 17½ to 12½ per cent, were unjustified?

Mr. RAYMOND: I say that from the Brantford point of view, when those reductions were made upon these Brantford industries, we resented them.

Mr. MEIGHEN: Then why did the hon. gentleman support a further reduction in 1922?

Mr. RAYMOND: I did not support a further reduction in 1922.

Mr. MEIGHEN: Not in the budget of that year?

Mr. RAYMOND: There was 2½ per cent taken off in the budget of that year, and it was opposed by me in committee, but it was only one item of a very important budget, and I did not see fit to oppose the budget on that account. Is that not satisfactory?

Mr. MEIGHEN: I think it is as skilful an answer as anybody could be expected to give.

Mr. RAYMOND: It is not so much the skill of the answer as its plain truthfulness that I am concerned with. This is not as far as I am concerned, a matter for skill at all. It is a matter rather for plain statement, and I say that was the condition then, and that was why it was I ran on the understanding that I would oppose any further reduction. I might say that that was why it was that when the right hon. leader of the opposition came to my constituency at that time, and spoke as he did very eloquently of the benefits of protection, we had a large number of idle men at that time, and it was remembered that this reduction had been made, and therefore it was felt by the people of Brantford that the agricultural implement industry had been singled out for all the free trade experiments that had been made in the tariff, and that is what appears to me not to be fair, and not to be equitable. I do not think that all the duty should be taken off agricultural implements, while other articles just as necessary just as essential, are left with the full protection of the tariff and enjoying all its benefits. Why, the right hon. leader of the opposition himself (Mr. Meighen) in his election address or in one of his speeches at that time made use of a sentence which appealed to me as very good. He said that system could not endure which stripped the protection off some industries and left others enjoying the benefit of protection. That was our position exactly in Brantford, and I think that was how his speech on that occasion did not have the effect that he wished it might have upon the electorate. I should like to point this out, that if hon. gentlemen are anxious, as they claim they are anxious, to help our basic industries; if that is the reason why duties should be taken off agricultural implements and saw-milling machinery—both of which are made in Brantford; I do not think there is a country in the world where lumbering is carried on to which that machinery has not been exported—at some time or other from Brantford—there is something that could benefit each one of these industries—these basic industries as they have been termed—and that would benefit the key industry, as I call the industry that makes the tools for them, and that has to do with our national railways. Now, hon. gentlemen who can look with such keen eyes into what the duty is, what the profits are, and what the dividends have been in the implement industry, who rise in this House and speak as though they were anxious to do a good thing for our basic industries, seem to have overlooked the fact entirely that all the supplies that go to our National railways have to pay a duty of 30 per cent, some of them I believe 35 per cent. Why not take the duty off locomotives, off railway cars, off the thousand and one other things that are used on a railway and not simply off ploughs. Hon. members opposite have said several times that they believe in justice and in a square equal deal for all, and special privileges for none. The feeling of a man who is working in an industry where his product, we will say, is sold in an unprotected market has been expressed many times by the hon. members of the Progressive party. They

have told us that they had to sell their products in an unprotected market where they cannot be helped and therefore must buy their goods cheap. Does not the same thing apply to a man who is working in a factory? It seems to me that if he is asked to abandon protection on the goods he produces, that then all that he requires for his own use, for his family's use, for his household use, as well as his raw material should be produced to him free or else he is not on an equal basis. Unless that is the case you will find yourself with the idea either of a certain rational and reasonable protection or else free trade. It must be one or the other it seems to me, and as far as I can view the matter I cannot see that it is in the best interests of this country to adopt the policy that is entirely free trade. I do not think it is although I have listened to the kind of academic discussion that we have here from the philosophers every year upon the question of free trade or protection. When the tariff is mentioned we are taken away back into the past and treated pretty much to the same discourse on Cobden and Bright. But this year we were taken back even as far as Walpole and Pitt. The hon. member for Brome (Mr. McMaster) began his speech this year, I think with Walpole and Pitt, and then went on from Cobden and Bright down to John Stuart Mill. I was pleased to hear John Stuart Mill. But I could not help thinking that it is the part of an advocate to take just what he wants and use it in his argument and leave what he does not want for somebody else. Why did the hon. gentleman quote John Stuart Mill to us? He never knew anything of Canada, he died before the industrial movement was born, he was not a business man, and yet the hon. gentleman quoted John Stuart Mill. The hon. gentleman in his speech quoted the dictum of John Stuart Mill and then he quoted his retraction. What does that matter to-day? Supposing we were to quote John Stuart Mill to the hon. member for Brome and tell him that according to the confession in his own autobiography he was an avowed atheist, would that suit the hon. member for Brome? Would he want to take his religious philosophy from where he took his business philosophy when we knew that John Stuart Mill knew nothing about business?

Mr. HOEY: I think it is only fair to the hon. member for Brome to state that in quoting John Stuart Mill he was replying to a letter quoted by the hon. member for Fort William and Rainy River (Mr. Manion).

Mr. RAYMOND: Very well. I do not know the exact circumstance that caused him to bring it in, but I presume that when he introduced the great philosopher's name he expected it would have some weight with us. I could not say what weight it could have in Canada, which he did not know, and on a business question when he knew nothing whatever of business. His principles were so peculiar and so erratic it seems to me he would hardly be considered an authority even on an economic question when that question is to be decided in Canada.

But with regard to John Stuart Mill, if the hon. member wishes to pay attention to that great philosopher I would respectfully refer him to his work on logic, his unrivalled work on logic. If he refers to that work he will find in it many times cautions against misstating a coincidence for a consequence; that one of the fatal mistakes in logic is to mistake a coincidence for a consequence. And when the hon. member tells us that in Britain, along in the times he mentions and close to the "hungry forties," trade began to grow and expand and increase by leaps and bounds—when he attributes that to free trade he will find if he looks a little more accurately into it that while it was a coincidence it was not by any means a consequence. Because there were authorities in that day who said that that wonderful progress came from what has been called "the industrial revolution"; that it came from the fact that English inventors in the textile industries, in the engineering industries, in the shipbuilding industry, and in others, made wonderful advances; that steam was applied to technical use and used in all her factories—used in all her factories to such an extent that writing at the moment Emerson said, "Steam may be called an Englishman," and that has been said by some to be the cause of the wonderful progress and advancement that was made in her commerce. It was also the time of Britain's colonial expansion, it was the time when Australia was settled, when business was opened up with India. These are some of the reasons given for the commercial advancement of that time. So I say it is impossible to prove that it was a consequence of free trade, although it was a coincidence. And when gentlemen say, as they have said in this House, that the United States has progressed and got wealthy in spite of and not because of protection it seems to me that we may take that just in the same way. I do not think the tariff has made or marred either of these two countries. I do not think it has been the one essential that made

the United States have a protective tariff, nor do I think it was free trade that made England so happy and prosperous as she was.

But these gentlemen talk of the wonderful attainments in England at that time, and the leader of the Progressive party (Mr. Forke) read a very delightful editorial from the Journal, I think it was, on "Hats off to Britain." It was a most delightful article and I was very glad to hear my hon. friend read it, I quite enjoyed it. But the gentlemen who take that side of the argument and use Britain for an illustration, lose sight of just one point of the British character—they seem to me to have completely lost sight of it. Why, the British tariff or the American tariff is only an incident. It is not a cause of a nation's success or failure; a tariff is a tax. I maintain that the quality that these gentlemen lost sight of is the predominant quality in the British character—it is their love of justice. They would not support a tariff that stripped the protection off one set of industries and left others enjoying it. So that if these gentlemen want to applaud Britain, if they really want to endorse and sympathize with the British character, never let them forget that one quality of justice. It was that quality of justice that led to all the great advances in that country, not perhaps commercial or financial; but it was the quality of justice that made them remove the disabilities on Roman Catholics. It was the quality of justice that made them enlarge the franchise in the Reform Bill of 1832. It was the quality of justice that made them in 1833 free the slaves and pay the bill out of their own pocket. The quality of justice should never be forgotten, and what I complain of in the treatment of Brantford in reference to agricultural implements is that I do not think that quality has been observed. Brantford seems to have been always made the goat for all the experiments in the treatment or reduction of the tariff, more than any other manufacturing city in Canada.

Some seven or eight of our largest factories are now affected by the reduction in the tariff. They do not like it of course, because it came at a time in their history when, on account of the depression in agriculture, their sales had been slow. The sales had fallen off in the United States, and consequently it was simply an invitation to the United States manufacturer to send his surplus to the Canadian market. The importation of implements increased 50 per cent last year, if I am not mistaken. They increased from $9,000,000 to something over $13,000,000, just at a time when our factories needed the money, and our workmen needed the work, in order to support their families. When the work was of the greatest importance we had the mortification of seeing between $13,000,000 and $14,000,000 worth of agricultural implements brought into the countrq, when in the year previous only about $9,000,000 worth of machinery was brought in. The same year some $7,000,000 worth of binder twine and $6,000,000 worth of tractors were imported, making some $26,000,000 that should have gone to employ Canadian labour, keep up Canadian homes and help support Canadian industries, but which went over to the United States to give employment to Americans. I do not think it is strange that that should seem mortifying to the people engaged in these industries.

People have said, and hon. members have sometimes said, "Oh, they pay no duty in the United States; why don't your implement factories export implements to that country?" Someone read something from a book which said we had exported over a million dollars' worth to the United States. Very good, we imported thirteen to fourteen millions at the same time. Some of the goods we send over there—and I say this without fear of successful contradiction—are sent over simply because they are absolutely unrivalled by any of the manufactures in the United States. One particular implement used in the southern part of the West, I think it is called a reaper-thresher, is a very exclusive machine, for which there is not much market in Canada, but a large market in the States, and a large number are made by the Massey-Harris Company, Toronto, and sent over there. With that exception, it is impossible for us to send much over to the United States, and why? Because when our salesmen go over there, and tell them these implements are just as good as theirs—and perhaps they recognize that they are—they will say, "Well, they may be good implements and may be just as cheap or even a few dollars cheaper, but I am 100 per cent American, and I want my money to go to the American people, to build up and support American interests." I do not know if it is necessary to point out the inference, but to me it is very plain, that we want in this country people who are rather more than 100 per cent Canadian, and I think if we had enough of that class we would never find such a large importation of implements as we had last year. Speaking of the importation of that large number of implements, it is an acknowledged fact throughout the West that there was a decided and determined propaganda urging the farmer to buy American implements. Part of it I believe came from the grain growers and part of it from other agricultural associations, and that led to an increased importation of some-

thing over 50 per cent more than the previous year.

I wish to make my position plain. With regard to agricultural implements, I have stated my position and why I feel it my duty at the present time to vote against any reduction in the tariff on these articles. When, as at present, the American manufacturers have a surplus of implements on account of the depression in agriculture in the United States particularly, it is simply an invitation to them to send more implements to this country. Again I considered that when ploughs were at 15 per cent and harvesting machinery at 10 per cent we had what might fairly be considered an irreducible minimum, and attention could be paid to something else that might require the duty to be taken off. If our national transportation is of the importance I think it is and when we have some $400,000,000 worth of rolling stock imported, if a part of the 35 per cent duty on that were taken off, it would conduce more to the general good of Canada of the basic industries, and of merchants and consumers alike; than to pick on the poor agricultural implement manufacturers and reduce the duties on their production, while other articles are left entirely untouched.

Referring to the amendment which has been introduced by the hon. member for Centre Winnipeg (Mr. Woodsworth) who stands in this House as the leader of the Labour party, I have always thought that that title was an anomaly, because I have heard views expressed in this House that I was quite certain were not the views of the Labour party of Ontario, and not the views of the Labour party at Brantford. The amendment is quite contrary to the policy of the Labour party in Canada, as expressed at page 55 of this book which I hold in my hand, which is the report of the convention of the great Trades and Labour Council, the chief arm of labour in the whole country. This is the annual report of the convention held in Winnipeg in 1921. Hon. members would think that when this labour convention was held in his own constituency, the leader of that party would be heard from, but his name is not in the book from one cover to the other. And why not? Because by the Trades and Labour Council of Canada he is not recognized as a leader or labour representative, and yet he stands in this House as a representative of labour, and as a representative of labour introduces that amendment. I want to say on behalf of the labour people of Brantford, and on behalf of the great industrial centre I represent, that the sentiments of the Labour party are not contained in his amendment at all but are quite contrary to it; and that the expressed opinion of the Trades and Labour Council, as set forth in one of the articles, is that they believe that a tariff should be maintained for the protection of Canadian workmen against competition from outside the country, and that no change should be made in that tariff until a tariff board has been established and the matter looked into with the greatest care. I am not quoting the exact words but they are in this book, if anyone wishes to read them.

Now in order that we may be exact, I have here a letter from the secretary of the Trades and Labour Council of Brantford enclosing a resolution dated 7th March, which reads:

> Moved by Del. Sevigny and seconded by Del. James:
> Be it resolved that in the opinion of the Trades and Labour Council of the city of Brantford the most satisfactory solution of the recurring tariff controversies, which have raised so much political confusion and instability in matters of trades and commerce, and thus of serious concern of the workers employed in industry, is to be found in the very clear and decisive declaration, repeatedly adopted by the Trades and Labour Congress of Canada in annual convention an extract of which appears in the annual reports of the Hamilton convention of 1919, the Windsor convention of 1920, the Winnipeg convention of 1921, and the Vancouver convention of 1923. Said extract reads as follows:
> "During past years there has been carried on a very active campaign by certain interests for the adoption of a free trade policy in Canada. To the numbers of workers engaged by Canadian branches of United States industries, and other industries claiming tariff protection as necessary for their existence, this question is a vital one. Your executive are of the opinion that tariff decisions should cease to be made a matter of political expediency and the decision for their maintenance or abolition, should be reached only after exhaustive inquiry and with a view to enabling the worker, in such industries to be paid proper wage standards without destroying the industry by unfair competition from industries outside of Canada. We recommend the formation of a tariff board, on which organized labor should have proper representation, created with full powers to deal with this subject in a similar manner to the powers exercised by the Railway Commission on railway matters."
> This resolution was unanimously adopted.
> Yours very truly,
> The Brantford Trades and Labour Council
> C. L. SEVIGNY.

That is really the Labour party of Ontario. A second letter is dated the 23rd April, 1924, which I would also like to have copied in Hansard and which is to the same effect, giving the platform of the Trades and Labour Council exactly. It reads:

> Mr. W. G. RAYMOND, M.P.,
> House of Commons,
> Ottawa, Canada.
>
> Dear Sir,—I am instructed by the Trades and Labour Council of Brantford to address you and request your serious consideration to the following resolution.
> Resolution: "Tariff decisions should cease to be made a matter of political expediency, and the decision for

their maintenance or abolition should be reached only after exhaustive enquiry and with a view to enabling the worker, in such industries, to be paid proper wage standards without destroying the industry by unfair competition from sources outside of Canada. We recommend the formation of a tariff board on which organized labour should have proper representation, created with full powers to deal with this subject in a similar manner to the powers exercised by the Railway Commission on railway matters."

The above resolution is the attitude expressed by the Trades and Labour Congress of Canada and we think a very fair and impartial attitude protecting all industry, labour, and consumer.

We are also willing to offer for your consideration, if you should think the resolution too severe, the adding of the advisory reading. We recommend the formation of an Advisory Tariff Board.

Hoping this will receive your consideration and be brought forward on the floor of the legislature for discussion.

Respectfully yours,

C. L. SEVIGNY.

The third letter that I have here is apparently an answer to some communication that they have had with the hon. member for Centre Winnipeg (Mr. Woodsworth). In it they do not appear to have quite agreed in the course of their communications with one another, but they state that at the last provincial election in Ontario the Independent Labour party, which, I believe, is the one represented by the hon. member for Centre Winnipeg, were not able to elect a single man, although they ran candidates in all the chief industrial centres of Ontario. It goes on to say that the party was so far disorganized by this that they did not hold their annual convention on Good Friday as they should have done. That was apparently, the writer says, the end of the party, and they even asked for no flowers at the funeral. I say then that, in order that the stand of the workmen of Ontario shall be rightly understood, this position should be rightly understood. They are not in favour of that amendment; they do not want it, and if there is that sympathy between labour as the Progressives have claimed from time to time in this House, they should vote against this resolution as every representative of the Trades and Labour party in Brantford would vote against it. I maintain—and I do so with respect—that the hon. member for Centre Winnipeg stands in a false position in this House when he pretends to represent the Labour party of that part of Canada from which I come, and I know whereof I speak. Therefore, from what I have said, hon. members will imagine that I cannot vote for the amendment.

In conclusion, let me say just this, that I think the true aim and policy of all people in this country is to arrive at some kind of a policy on which we can be agreed. It is certain that if we follow in one direction so that certain parts of the country are under a free trade system, then, in equity and in justice, the whole country will have to go on with that system. I am aware that at the present time efforts have been made by the manufacturers to make representations to the government that if certain concessions were made on their raw material, that would help them to stand the cut in the duty, and I believe the government have done what they can to meet this. But in spite of that, I think and I maintain now seriously that the duty as it existed should be considered as an irreducible minimum upon agricultural implements. I think we should endeavour to establish a board of tariff reference, as the Labour party have asked for—and it has been part of their platform for years— a board which, of course, we understand, could not have any legislative power, which could not impose or take off tariffs, but which could obtain from an independent source whatever information was required by the government of the day and place before it that information in order that it might make for the country the most scientific tariff possible.

I am not going to be drawn into the old argument of free trade and protection, because I do not think free trade is sensible or practical. It is a mere theory; it is something that does not exist. I do not believe, if the hon. member for Brome (Mr. McMaster) were Minister of Finance, he would go any nearer free trade probably than the present budget, in spite of all his protestations. There are certain things that exist in theory and that, in theory, are very nice, but in practice are utterly impossible. One of them is universal peace. Who would find fault with the man who advocated universal peace and loved the idea, and yet what word was more hated during the war than the word "pacifist"? It was hated just as much as the word "traitor", because when the country was fighting for its very life, we knew that the pacifist was almost as much an obstruction to our success as the traitor.

Another thing that great professors and minds have sought after is perpetual motion. No sane man ever started after perpetual motion and remained sane very long. No man ever attained perpetual motion, unless, perhaps, the hon. member for North Toronto. (Mr. Church). I mean to say that no man ever followed the pursuit of that subject and retained his sanity. I am rapidly coming to the conclusion that the question of the-

oretical free trade is very much the same. When I listen to those men who follow it and who rise and discourse here eloquently upon free trade and its advantages, I often think of what has become of that other will-o'-the-wisp, perpetual motion, and those who have pursued it, many of whom you will find in lunatic asylums. I hope that will never be the case of those men who advocate that financial and fiscal policy for our country.

What we want is a policy that will build up the industries of the country, that will tend to the development of its resources, that will bring from northern Ontario those vast treasures that were so eloquently described by the hon. member for Nipissing (Mr. Lapierre) in his admirable speech. What we want too. is a tariff policy that will protect labour in this country, that will protect the labouring man, and as labour is added to every article from the raw material to the finished articles, let there be enough protection on that man in the way of a tariff that his industry may be protected. In that way we can in time develop this country so that the raw material that we are now exporting to other countries and that they are making money on by manufacturing, we shall be able to manufacture in this country. I do not advocate a policy of exclusion; I do not say that we can be absolutely self-contained. But Canada should export manufactured goods instead of raw material, allowing somebody else to export the manufactured goods, because we know that the one who exports the manufactured goods makes by far the larger profit.

Mr. FORKE: Why can we not export the manufactured goods?

Mr. RAYMOND: I say: Why can we not? Those that we have to export we can and do export; but when it comes to the raw material, the hon. member might have heard the hon. member for North Toronto a few minutes ago instance asbestos down in Quebec, how that was dug out of the bowels of the friendly earth, how we sent it to the United States where some $9,000,000 worth was turned into a value of $60,000,000.

Mr. FORKE: Why do we send it to the United States?

Mr. RAYMOND: Because we have no factories here to manufacture it. We want to develop those factories, those industries. If we do not do that, we shall never be able to export the manufactured article, because they have the factories in the United States and we shall have to send the raw material to their factories to be manufactured. The difference between the American tariff which gives them protection and ours was rather hidden by the hon. member for West Calgary (Mr. Shaw) this afternoon, when he said that they collect in duties $450,000,000 and we collect $105,000,000. What is the truth about the American tariff? If hon. members examine it for themselves, they will find that articles that the Americans want in free they allow to come in free; but as regards those articles which they do not want, you cannot climb over their tariff wall. Their duty on woollens is 100 per cent; their duty on cottons and textiles is over 50 per cent. As regards the duty on everything which they want to make and on which they fear the competition of Britain or Germany, they impose such a tariff that no imports appear on their list at all. To-day we import cloth in worsted and tweeds, about as many square yards as they import into the United States, because where we have a duty of 25 per cent, they have a duty that runs from 75 to 100 per cent. That is why that article does not appear to swell the amount of their imports.

But to go back to the development of Canada, we want a policy that will develop these industries, that will develop factories to manufacture these raw materials, that will protect the labouring men working in Canada, not unreasonably, not irrationally, but so as to give them a chance to carry on their business in this country. If that is done, as it may be done equitably, I believe the tariff board such as is asked for by the Trades and Labour Council, to act in an advisory capacity to the Minister or Acting Minister of Finance, will be found to be of great assistance. With such a policy, and with the wonderful natural resources of the country developed, then I think we should enter upon the era of prosperity that we are all looking for. It is true that the returns now show in certain respects that it is even coming upon us; there is a sign as though trade were now beginning to improve in this country. I always like to look at these situations in a hopeful way; I do not like the shadows in my path to be any that I cast myself, either from imagination or reality. I think that times are mending and business will improve; and such a tariff policy, so framed, so formed to protect labour and industry, would act wonderfully in the development and expansion of our trade, our factories and our natural resources.

Mr. G. A. BRETHEN (East Peterborough): No matter how we may differ in our conclusions from the hon. member for Brantford (Mr. Raymond), we all listen with great interest to his addresses and we certainly agree that they are kindly and that the hon. member's earnestness for the city he represents would draw tears almost from the very stones themselves. However, what is the situation in Brantford? I am reminded that just a few weeks ago a certain delegation from the city of Brantford, including these very same implement manufacturers of which the hon. member has spoken and to whom he is so admirably loyal, arranged several meetings with different groups in this House including a number of representatives of the Progressive party; and the question occurred to me whether these implement manufacturers of Brantford were as loyal to the hon. member who represents them as he has been to them. To our surprise, after waiting for half an hour or more, the implement manufacturers from Brantford who were on this delegation failed to show up. However, a certain manufacturer from the city who undertook to speak for them stated their case, but I do not know that he succeeded in putting it very well before us. Several questions were asked, among which were the following important queries: First of all, what is the condition of the different manufacturing concerns in Brantford, with special reference to the binder twine industry? To this question that gentleman was forced to confess that the binder twine industry, although on the free list and without any protection, was the only manufacturing concern in Brantford that was running on full shift and making full speed ahead. The question was next asked him: What is the problem of the manufacturers in the city of Brantford—is it a question of protection or one of lack of sales? Further, if any government in this country were to increase protection would it have the desired effect of giving impetus to the manufacture of implements in Brantford, or would it solve their problem? In reply to this question he was also obliged to confess that the problem was one of lack of sales and that not only would protection fail to solve it but that it would only aggravate the situation; in other words, if sales were the result of conditions favourable to buying, an increase in price due to increase in protection would simply aggravate the situation by reducing the purchasing power of the consumers. Now, there is a direct relation between the implement manufacturer and his purchaser, who in this case is the Canadian farmer; and the real problem is not so much one of protection as one of inadequate purchasing power on the part of the farmer. So that anything we can do in this House to increase that purchasing power will indirectly bring added prosperity to the manufacturer.

We have to-day been discussing in this House the fiscal policy brought down by this government, which has aroused unusual interest throughout the country. As the hon. member for Winnipeg (Mr. Hudson) showed this afternoon, while some two-thirds of the electors of this country supported in the last election candidates advocating a line of action similar to what is proposed in the policy of this budget we find that until now the government has taken little action in that direction. For two sessions in this House we have had budgets that have only made a gesture towards tariff reduction, and this is the first budget brought down by the present government that has actually budged. Because, therefore, this budget follows a line of action which we in this part of the House believe will not only promote the best interests of the agricultural community but will also improve the condition generally of the people of Canada, we feel more kindly towards it than we have done to any budget that has been presented to the people for several long years. While we can and do agree with our friends to the right that the reductions proposed by this budget may provide little immediate relief to the producers of the country through the medium of the reduction on the implements of production, at the same time we deny that the proposed changes will have either the disastrous or even harmful effects upon the makers of these implements which some of our friends to the right prophesy. It is true that certain manufacturing concerns in this country are in a bad way financially. But the crying need of the Canadian manufacturer to-day is sales; his most remunerative market is the home market, that is to say, Canada, and particularly agricultural Canada. His sales bear a direct relation to the purchasing power of his customer, who in the case of the implement manufacturer is the Canadian farmer. No group in this House is bold enough, facing conditions as they are, to suggest that the condition of the Canadian farmer is in any way bright; in fact, his purchasing power is extremely limited. And such being the accepted fact in regard to the condition of the customer, what is the proper course to pursue to provide the remedy? Some like the hon. member for Brantford would suggest more protection. But this, we believe, would only aggravate

the trouble. Higher protection, if it means anything, means the power to increase the selling price of the protected goods. Would anyone be bold enough to say that by raising the selling price we are going to make the purchaser buy more freely? Fifty years of this policy has proven the fallacy of attempting by such a system of taxation to make the country rich. I insist, Mr. Speaker, that you do not increase the taxable wealth of Canada by taxing a gentleman in East Peterborough and giving the benefit of that tax to a gentleman in Toronto. Such a course prevents the natural and honest distribution of wealth, but it does not create or augment wealth.

Let me illustrate the very important relation which exists between our producers and consumers. Last September I paid a visit to the western provinces, including British Columbia, and from Kamloops I took a motor drive of 370 miles through the Okanagan valley. There to my surprise I learned firsthand from the fruit growers that their condition was probably the most discouraging of that of any other producers in the Dominion. I was very sorry to learn this because the evidences of great production were to be found everywhere. One particular fruit grower told me he had cut down his peach orchard and was planting it with apples, and although the fruit was of immense size and quality only one-half of the peach crop would be harvested. He added that only one-half of the cherry crop had been harvested. In asking for an explanation I got the following, and I give it for what it is worth. I was told that the fruit industry in British Columbia was built up upon the prairie market when the prairies were in a more prosperous condition than they are to-day, and that when the purchasing power of the prairie farmer failed the result was instantly reflected in the returns to the fruit farmer of British Columbia. Talking to a man on the train who had some experience in growing fruit and also in selling it on the prairies, he told me: "It is just this way, when the prairie farmer is properous he does not go into a store and ask for one or two baskets of peaches, as you do in Ontario; he says to the storekeeper, "What are your peaches a crate today?" And upon being told the price he added: "I will take four or five crates.'" The fruit industry of British Columbia was evidently built up on that kind of market. But in a year like last, when in spite of a bumper crop, the largest in the history of Canada, he finds his cash returns depleted to the extent of seventy million dollars, somebody besides the farmer is going to feel it; it is going to be reflected in some other industries besides farming, in fact it will be reflected in every industry of this country.

This question of sales has a very important bearing upon every industry. A week or so ago while I was down in the city of Halifax I noticed in one of the local papers this headline: "Cross Fertilizer Company Goes into Liquidation, due to the Reduction of the Tariff." I thought the budget was acting very quickly on the fertilizer industry, so I made inquiries. To my surprise I found the explanation given by the farmers was that for the past couple of years this particular company had been unable to sell their fertilizer because it was unsuitable, not being water soluble, and after the farmers had tried it and got no results they simply quit buying. Thereupon the fertilizer company went into liquidation not because of any lowering or raising of the tariff, but simply because they were turning out a product which the farmers would not buy. But see the camouflage of the situation!

I was interested to-night to hear the member for Brantford (Mr. Raymond) refer to farm tractors. We hear in this House that the manufacture of tractors ceased in Brantford and in other manufacturing centres of Ontario because of the removal of the duty. I have often wondered if that were really the explanation. In my trip through Manitoba, Saskatchewan and Alberta last year I only once saw anything that looked like a tractor operating on summer fallow, and it was so far away that I could not be certain whether it was a tractor or not. I saw several threshing machines running, but the great work of the tractor in past years on the prairies was conspicuous by its absence, the reason being not because in war time days the tractor was not considered a valuable asset to the farmers of the West, but because in these days when horse flesh is very cheap—practically unsaleable—when harness is cheaper and when horse feeds net the farmer little or nothing at his own barn, it does not pay him to operate tractors, and therefore the farmer has ceased to buy them. As the manager of the Brandon experimental farm expressed it to me, "We are past the tractor stage." The very fact that all the farmers of the West have ceased buying tractors would seem to me some explanation why the tractor industry in this country should cease—lack of sales. Possibly that had as much or greater influence on its cessation than the removal of the duty.

The prosperity of industrial Canada is certainly based upon the prosperity of agricultural Canada, and the sooner this truth is recognized the quicker will come that national prosperity we so fondly look for. Without any bitterness in my heart to our great industrial magnates, I am reminded that the present situation in which they find themselves, due to the lack of sales, in other words, due to the lack of purchasing power of their best customers, the Canadian farmers, is very largely the result of their action in 1911. In that year there was offered a market to the Canadian farmer that to-day the people very generally believe was a real market and would have meant very much in bettering our agricultural condition. But what did we find? At that time these very industrial magnates and financiers, although this was a question of reciprocity on natural products and, in a sense was none of their business, butted in and robbed the farmer of that market and of that industrial encouragement which would have been theirs. And so, to-day we find these very men, largely as a result of their action at that time virtually frying in their fat. The crying need of the hour is to make the basic or primary industries of this country prosperous. Then general prosperity will follow as naturally as day follows night. By attempting to bridge the chasm between the high cost of everything which the farmer buys and the low price he receives for everything he has to sell, the government in this budget I believe has made an honest attempt to bring about better conditions and greater prosperity for the people of Canada. I am not one of those who have altogether lost faith in Canada. Neither do I belong to that cult in this House who seem to think because we have lost a good many real Canadians to the country to the south of us that we should advertise in this parliament to all the world that Canada is going to the bow-wows. I have here a letter from a young man who was employed for some years in the Civil Service and who a few weeks ago considered that he could better his condition by seeking employment in the great city of Detroit. After he had walked the streets of Detroit for two weeks he wrote imploring me to try and find him something in the way of a job. This is what he says: "Employment is very scarce here. Hundreds, yes thousands, walking the streets." This bears out the knowledge I have with regard to certain other young men who left our locality for different places in the States, very many of whom, at least fifty per cent, are now back home again because they could not get work. Some of them have already secured jobs of a permanent nature at home, which indicates that they have not the slightest intention of going south again to try their luck. I have here a clipping from the Toronto Globe of April 24 last:

> The only large cities in the United States in which there is still an acute shortage of houses, accompanied by increasing rents, are Philadelphia, Chicago and Pittsburg. Canadian building trade mechanics who have been taking part in the building boom across the border will soon be coming home again.

I cannot help believing that much of the emphasis that has been placed on this emigration to the United States has been done purely from a partisan attempt to discredit the work of this government, and I would say that if the tariff policy of this government has had anything to do with sending these men to the States in the last two years, the onus must be shared equally by both the old parties because the present budget represents the first real distinction in the fiscal policy of the two old parties for several years.

I am about to ask a question that I wish I could answer: What is wrong with Canada? I think if some of the brightest minds in this House would pay to this question the attention it deserves, instead of wasting their efforts in fighting their election battles over again, it would be far more in the interest of Canada. What is wrong with Canada? The increase in the national debt from $336,000,000 in 1913 to $2,453,000,000, which was the figure that the Acting Minister of Finance (Mr. Robb) gave for 1923, cannot fail to mean increased taxation, and not only an increase in direct taxation but a much greater increase in indirect taxation, and this increase in indirect taxation I believe is reflected in the increased cost of distribution, in the increased cost of manufacture, in increased labour costs, rent costs, and so forth, which combined to bring about that very grave situation in Canada, the high cost of living. The protective tariff does not benefit the producer of our wheat, of our meats, our fish, or our cheese, because these products are sold in the markets of the world, and while a very large percentage of these products may be consumed in Canada it is the exportable surplus that sets the price. A lower cost of living is the only salvation for such a producer in the face of world competition.

I believe, Mr. Speaker, that this is the time for a national audit. Can we cut the cost of government, or the high cost of distribution that is throttling the very life of this country? Can our House of Commons and

enate be reduced to a size commensurate with our ability to pay? I believe that the co-ordination of portfolios, that of the Solicitor General with the Minister of Justice, for instance, is just as important as the co-ordination of railroads. I would also suggest to the government that the intent of the resolution of the hon. member for Portage la Prairie (Mr. Leader) be put into effect, and the war time indemnity be reduced to harmonize with the present condition of affairs. Economy, like charity, should begin at home, and no strong appeal for economy in the country at large can come without the members of this House showing their willingness to blaze the trail by attacking their own purses. I have heard it suggested in this connection that not merely the present indemnity but possibly an increased indemnity is necessary to attract the best men to this House. That I do not believe. I do not believe that the lure of the dollar will ever in this country, or in any other country, appeal to the truly great man like the call to service. In coming up from Halifax with the rest of the Progressive members a week or so ago we had the good fortune to meet an Australian on the train, and upon our invitation he gave us a very interesting talk upon that dominion. He was well informed and I doubt if any press agent was better fitted for the task of placing his country in a good light before the world at large. That experience made me think that probably we might follow the Australian gentleman's example and apply the same attitude to our own country. Let us have faith in Canada. Let us, if I may be allowed to use the term "Sell Canada to Canadians." I am not pessimistic enough to believe that because they have cheap labour in France, or Italy, or some other European countries that we cannot in Canada compete with it. As the Australian already referred to said, "In Italy they just muddle along in agriculture. The idea of one man leading a horse attached to a plough, and another man holding the plough handle!" And just such conditions as these render it impossible for European countries, even though they have cheap labour, to compete with the efficient agriculturists of Canada.

I believe that the greatest asset of the National railroads of Canada is the patriotic spirit of the people of the Dominion toward their own railway system. I quite agree with the hon. member for Brantford (Mr. Raymond), when he suggests that we should be 100 per cent Canadian, and whenever we can buy Canadian made goods at anything like the same price as foreign goods I believe we should do so. It will be this "get together spirit" on the part of the man on the farm, the man in the shop, and the man in the home to buy Canadian made goods—because they are the best and because they were produced by Canadians,—that is going to solve, or help very largely to solve, the financial and economic difficulties through which Canada is passing.

On motion of Mr. Ross (Kingston) the debate was adjourned.

On motion of Mr. Graham the House adjourned at 11.28 p.m.

Tuesday, May 6, 1924

The House met at three o'clock.

COMMITTEE ON RAILWAYS, CANALS AND TELEGRAPH LINES

Mr. F. S. CAHILL (Pontiac) presented the third report of the select standing Committee on Railways, Canals and Telegraph Lines.

Mr. CAHILL moved:

That, in accordance with the recommendation contained in their third report, the select standing Committee on Railways, Canals and Telegraph Lines be given leave to sit while the House is in session.

Mr. SPEAKER: By unanimous consent, of course.

Hon. H. H. STEVENS (Vancouver Centre): I offered my objection to this when the motion was presented in the committee to-day, and I desire to repeat my objection now. My objection is this—and I think it will appeal to the Prime Minister and the government—that we have a very important and large committee sitting while the House is in session, and, as far as I can see, there is no particular rush for the bills that are immediately before the committee. I think that about half of the Canadian National Railway bills passed the committee this morning, and the committee passed several other bills, as the report will show. There has been no delay, in fact everything was done to facilitate the passing of the bills this morning. Under these circumstances, I see no reason whatsoever why this committee should sit while the House is in session. I think that we ought to bear in mind that the privilege of sitting while the House is in session should be granted to a committee only under extraordinary circumstances; that is, when we have a large committee, or when they have an important question to deal with, such as the revision of the Bank

Act last year, or any matter of major importance. The ordinary routine work of a House committee should not occasion the sitting of the committee while the House is in session. Personally, I very strongly object to it.

Mr. CAHILL: Many members of the committee are anxious that the business of the House should be proceeded with as rapidly as possible. As my hon. friend from Vancouver Centre knows, it is necessary to have a number of the officials of the Canadian National Railways present at the committee meetings. It is true, a large number of bills were passed this morning, but they were passed largely with the consent of members of the opposition who have been opposing these bills. It would hardly be possible to get through in the two hours in the morning, without taking up a very long time; and in every case the representatives of the railway would have to be asked to come here. I do not think it is the desire of the government nor of the committee that the work should be rushed any more than is necessary even if this resolution be passed. I think we can have an understanding with the opposition that we can proceed with the bills while the House is in session, so that we can keep the officials of the railway here and continue the work from day to day until it is completed, at whatever time would be suitable for the members of the opposition. I do not think it would be necessary to sit this afternoon, as suggested by the committee, but I think the motion should be allowed to go through so that we can have the officials here to continue the work, instead of calling them for a morning session once or twice a week.

Mr. SPEAKER: The motion can only be passed by the unanimous consent. If the House is unanimous the motion will carry; if not, notice of motion will have to be given. Is it the pleasure of the House to adopt the motion?

Mr. MEIGHEN: No.

Mr. SPEAKER: Lost.

Mr. CAHILL: I beg leave to withdraw the motion, and give notice of motion.

Mr. SPEAKER: The motion has been declared lost. Another notice of motion can be given later.

UNITED CHURCH OF CANADA

Petitions were presented from certain members of the following congregations, severally praying that the proposed legislation incorporating the United Church of Canada be not enacted:

St. Stephen's Presbyterian Church in British Columbia,—Mr. Clark.

Knox Presbyterian Church, Red Deer, Alberta; St. Andrew's Presbyterian Church, Olds, Alberta. —Mr. Speakman.

Collingwood Presbyterian Church; West Nottawasaga Presbyterian Church; Nassagaweya Presbyterian Church; Duntroon Presbyterian Church; Nottawa Presbyterian Church; Penetanguishene Presbyterian Church, all of the Province of Ontario,—Mr. Wilson.

Chalmer's Presbyterian Church, Toronto.

Petitions were presented from certain members of the following congregations and bodies severally praying that the bill now before the House to incorporate the United Church of Canada be passed during the present session:—

Deer Park Presbyterian Church, Toronto; Wesley Methodist Church, Montreal, Quebec; Methodist Churches at Walsingham, St. Williams and Port Rowan; Union Churches at Monticello, Campania and Tarbet; Wellington Street Methodist Church at London; Mount Zion and Rockford Churches at Townsend Township; Methodist Churches at Mallorytown, all of Ontario; Union Church at Tregarva, Sask.; Methodist Church at St. Mary's, Ontario,—Mr. Maybee.

Bloor Street Presbyterian Church, Toronto; Hope and Ebenezer Methodist Churches at Alvinston, Ontario; United Church at Marmora; Methodist Church at Bear River, Nova Scotia; Presbyterian Church at Esterhazy and Little Harbour, Sask.; Methodist Church at Ford, Ontario; Union Church at Wananesa, Manitoba; Methodist Church at Flinton, Ontario; St. Andrews Presbyterian Church, Winnipeg, Man.; Methodist Churches at Cottam and Aberna,—Mr. Stevens.

Davenport Presbyterian Church, Toronto; Methodist Church, Wyoming, Ontario; United Church at Moosbank, Sask.; Methodist Church at Baldoon, Ontario; of Isaac Bowman and others, Miami and other places; Methodist Church at Ancaster, Ontario,—Mr. Lucas.

Members of the Presbyterian Church at Toronto, Ontario; Methodist Church at Allenford, Ontario; Presbyterian Church at Rollingdam, N.B.; Methodist Church at Tiverton, Ontario; Presbyterian Church at Oakner; Fairmont Ave. Methodist Church, Montreal, Quebec; Union Church, Anglia, Sask.; Young Methodist Church, Winnipeg, Manitoba; Presbyterian Church, Waweig, N.B.; Methodist

Churches at Prospect, Manchester and Prince Albert, Ontario; Presbyterian Church, Montreal, Que.; Methodist Church, Lansdowne, Ontario, St. Mathews Presbyterian Church, Montreal, Que.; Presbyterian Church, Pointe Claire, Que.; United Presbyterian and Methodist Churches, at Cedar Hill; Methodist Church at Antrim, Ont.; United Presbyterian and Methodist Churches, Pakenham, Ontario; Methodist Church, Gesto, Ontario; Methodist Church, Granby, Quebec; MacVicar Presbyterian Church, Montreal, Que.,—Mr. Caldwell.

Methodist Church at Southampton, Ont.; Union Church at Hawarden, Sask.; Methodist Churches at Greenwood, Ont.; Mary E. Mather and others, of Melbourne, Ontario; Memorial Methodist Church at St. Catharines, Ontario; Union Church at Cabri, Sask.; Methodist Church at Point Edward, Ontario; Kew Beach Presbyterian Church, Toronto, Ontario,—Mr. Halbert.

Central Methodist Church at Sarnia, Ontario; First Presbyterian Church, Alix, Alberta; Methodist Church, Vankleek Hill, Ont.; Union Church at Donville, Quebec; Presbyterian Church, Norwood, Winnipeg, Man.; Springfield Church, Springfield; Presbyterian Church, Oakney, Man.; Congregational Church at Point St. Charles, Montreal, Quebec; Methodist Congregations at Waterloo and Warden, Que.; St. David's Presbyterian Church, Toronto, Ontario; Methodist Church at Armstrong, B.C.,—Mr. Charters.

United Church, North Rosedale, Toronto, Ontario; Methodist Church at Gananoque, Ontario; Presbyterian Church at Sonya, Ontario; Session of the Presbyterian Church at Clinton, Ontario; Methodist Church at Shiloh; Methodist Church at Sharon, Ontario; Port Simpson, B.C.; Methodist Church at Tillsonburg, Ontario; Congregation at Ethelbert, Manitoba; Methodist Church at Sunny Brae and Cherryfield, N.B.; College Street Methodist Church at Toronto, Ontario; First Congregational Church at Granby, Que.; Methodist Churches at Salem, Peniel and Manilla, Ontario; Rosemount Methodist Church, Ottawa; Wesley Methodist Church at Toronto, Ontario; Knox Presbyterian Church, Miami, Manitoba; Methodist Church at Paris, Ontario; Presbyterian Church, Strathclair, Man.; United Methodist and Congregation Churches at Georgville and Tomafobin and Fitch Bay, Quebec; St. Cuthbert's Presbyterian Church at St. Lambert, Que.; Union Church at Rossburn, the Methodist Church at Liverpool, N.S.; Methodist Church at Morven, Switzerville and Violet, Ont.; Griffen Union Church, Griffen, Sask.; Dominion Methodist Church, Ottawa, Ont.; McDougal Methodist Church, Winnipeg, Man.; Saltcoats United Church at Castleton, Sask.; United Churches at Fillmore, Crieff and Huronville, Sask.,—Mr. Hoey.

Methodist Church at Adolphustown and Sillsville, Ontario; Augustine Presbyterian Church, Winnipeg, Man.; St. Andrews United Church, Winnipeg, Man.; St. Pauls Methodist Church at Harrowsmith; Holleford Methodist Church at Holleford and Hartington Methodist Church, Ontario; St. James Methodist Church at Simcoe and the Methodist Church at Lynnville, Ontario; Presbyterian Church, Bay Fortune, P.E.I.; Presbyterian Church, Talamagouche, N.S.; Presbyterian Church at Souris, P.E.I.; Methodist Church, Ormstown, Que.; Victoria Presbyterian Church, Toronto, Ont.,—Sir Henry Drayton.

[Mr. Speaker.]

SINGAPORE NAVAL BASE

Right Hon. W. L. MACKENZIE KING: I beg to lay on the Table of the House return to an order dated 9th April, 1924, for—

Copy of all correspondence, telegrams, writings, or other documents, passing between the Department of External Affairs and the British government with respect to the naval base at Singapore.

AGRICULTURAL CREDITS

Hon. J. A. ROBB (Minister of Immigration): I beg to move that the report of Dr. Tory, tabled on the 15th April, be referred to the committee on Banking and Commerce.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS

Bill No. 79 (from the Senate), for the relief of Douglas Lewin.—Mr. Boys.

Bill No. 80 (from the Senate), for the relief of Mary Quinn.—Mr. Wallace.

Bill No. 81 (from the Senate), for the relief of Marie Darling Irving.—Mr. Wallace.

Bill No. 82 (from the Senate), for the relief of Margaret DeMello.—Mr. Wallace.

Bill No. 83 (from the Senate), for the relief of Mary Caroline Dooley.—Mr. Stewart (Leeds).

Bill No. 84 (from the Senate), for the relief of Barbara Gibb Duncan.—Mr. Martell.

Bill No. 85 (from the Senate), for the relief of Nellie Sinkins.—Mr. Martell.

Bill No. 86 (from the Senate), for the relief of Catherine Jean Livingstone.—Mr. Sheard.

Bill No. 87 (from the Senate), for the relief of Alice Maud Knowles.—Mr. Sheard.

CRIMINAL CODE AMENDMENT—HALF BREED SCRIP

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I wish to call the attention of the government to an order that appears under Public Bills and Orders, namely, the third reading of Bill No. 5, to amend the Criminal Code, by the hon. member for Edmonton (Mr. Kennedy). This is a bill which has been introduced, I think, every year since this parliament opened. It is a bill which treats of a subject that is more appropriately dealt with in a government measure. It does not look as if, in the ordinary course, we are going to reach it this session. I am not aware of the fact, but it may have been called and not gone on with. I would suggest to the government that they should take this legislation over. Nobody in this House that I know of is opposed to it. Why, then, should we not get rid of this annual whine on this subject and have it disposed of?

Hon. ERNEST LAPOINTE (Minister of Justice): I do not know that it is necessary for the government to assume the paternity of the bill, but I agree with my right hon. friend that an opportunity should be given, by unanimous consent of the House, to have the bill read a third time.

CIVIL SERVICE SUPERANNUATION

On the Orders of the Day:

Mr. E. R. E. CHEVRIER (Ottawa): What is the intention of the government, with reference to the proposed Civil Service superannuation measure?

Hon. J. A. ROBB (Acting Minister of Finance): My hon. friend will recall that on April 15, the government gave notice of a resolution to advance this measure, and just as soon as the budget is disposed of we propose to proceed with that resolution and pass the bill on to a special committee for consideration, where all interested parties will have an opportunity of being heard.

Mr. C. A. GAUVREAU (Témiscouata): In case the Superannuation bill should not pass, does the government intend to extend the Calder Act for another year?

Mr. ROBB: That will be a matter for consideration later on as we proceed in the session and see what progress will be made in committee.

POSTAL SERVICE SALARIES

On the Orders of the Day:

Mr. JOS. T. SHAW (West Calgary): I should like to ask the Prime Minister, what is the present position in connection with the application of the government postal employees for a revision of their salaries?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The matter is under consideration; I think that is about all I can say.

LAUSANNE TREATY

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): When are we to have any further illumination on this subject of the Lausanne Treaty correspondence? I thought my hon. friend (Mr. Shaw) was likely on that again.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think I stated that as soon as the budget debate was over, I proposed to take up the estimates of the Department of External Affairs and that we could then deal with the matter very fully.

Mr. MEIGHEN: I thought the Prime Minister would make a statement on the matter later on when correspondence under way had reached a further stage.

Mr. MACKENZIE KING: I have been endeavouring to get the British government's consent to have the correspondence laid on the Table of the House. I am still hoping it will be possible to get that assent, but up to the present time I have not been able to obtain it.

Mr. MEIGHEN: I notice the British government keep repeating that they are trying to get the consent of the dominions. Where is the trouble?

Mr. MACKENZIE KING: Having noticed the despatch to which my right hon. friend refers, I sent a cablegram this afternoon to each of the dominions to ask if they had any objection to this correspondence being laid on the Table, that is, such of it as relates to Canada and Great Britain, and I hope the replies received will indicate which of the dominions is opposed to having it laid on the Table.

Mr. MEIGHEN: The point is this: This is correspondence, so far as we are concerned, between Canada and the British government. We are now in the position that both governments are ready to lay it on the Table and make it public. Does the Prime Minister take the position that, with both governments consenting, we have to get the consent of every other part of the Empire?

Mr. MACKENZIE KING: I do not take that position, but I understand that is the position which the British government takes. I hope to be able to inform the British government that the other dominions acquiesce in the desire of Canada to have the correspondence placed on the Table of the House, either here or in Great Britain, or possibly in both places.

Mr. MEIGHEN: If Great Britain is willing and we are willing, what difference does it make about the other dominions?

Mr. MACKENZIE KING: The right hon. gentleman informs me that the British government is willing. The only reference I have seen to the effect that the British government is willing is the one that comes in today's news despatches stating that they are willing, but that the other dominions will have to be consulted. I hope the other dominions will agree to have the correspondence placed on the Table. I think the whole of it should be laid on the Table both here and in Great Britain.

THE BUDGET

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

The House resumed from Monday, May 5, the debate on 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 Mr. Woodsworth.

Mr. A. E. ROSS (Kingston): Mr. Speaker, much has been said in this debate by way of congratulation to the Acting Minister of Finance (Mr. Robb); but for my part I can find only admiration for his apparent coolness and courage as a messenger in the great surrender of the once great Liberal party. For some time, we have watched the contest waging between the Liberal trenches and the Progressive trenches as to which one of them would be the greater. Here a post office gift, there a breakwater, here a branch line railway, have gained supporters, and we have seen one deserter from the Liberal trench crossing over the aisle, two from the Progressive trench going over to the Liberal trench; but finally illness overtook some of the great warriors on the Liberal line and laid them aside from the fight. Then the white flag was hoisted, and after a consultation between the great leaders, the terms of surrender were accepted by the Liberal party. Or, we might put the matter in nautical language, of which the hon. member for Brantford (Mr. Raymond) is very fond, and say that the pilot, realizing his difficulties and recognizing the black flag of mutiny being hoisted on his ship, has decided to save his life, has scuttled the great Liberal ship and has taken refuge on the Progressive cruiser; —I may be pardoned for calling the group across the way a party; for, if we accept the definition of that word as given by the hon. member for Brome (Mr. McMaster), they can hardly be regarded as coming up to that standard; the hon. gentleman's definition of the word "party" given last year was this: "A party is a group of men who have decided to advance the public interest along certain lines which they hold in common." This is a splendid definition; but if we measure the group across the way by the standard therein stated we cannot come to the conclusion that they are of the full stature of a party. The hon. member for Brome construed the principle of common interest to mean an attitude of mind concerning the trade question; while the late member for Halifax said that it was a Liberal mentality towards a reduction in taxes. But if we consider the speeches of hon. members who have composed the group opposite, both in the past and up to the present time—and one might include, if one cared to venture a prophecy, those who may compose it in the future—we can find no common interest actuating the whole party.

It is interesting to note the effect of this budget on different members of the House, and, I think, most interesting of all is the effect that it has had upon the Minister of the Interior (Mr. Stewart, Argenteuil). He at once began to toll the funeral bells of protection and to pronounce its death knell, and in his speech he declared that after having lived in Ontario he could see no signs of industrial prosperity there. Let me inform him that since he left that province there has been a great deal of progress therein; and I should like to cite a bit of history in regard to the industrial progress not only of the province of Ontario but of all Canada. There are four or five points from which it would be well for the House to consider this question. First of all, there is the point of the capital invested in manufacturing. The following table shows the comparative sums invested in the period from 1870, in round figures:

Manufacturing Industry in Canada

Year	Capital Invested
1870	$ 77,964,000
1880	165,300,000
1890	353,213,000
1900	446,916,000
1905	833,916,000
1910	1,247,583,000
1915	1,958,705,000
1920	3,443,000,000

It will be observed that the figures for the year 1920 show a large increase due to the effects of the war. The second point from which we may consider the subject is the number of employees engaged in the manufacturing business in this period. The table follows:

Manufacturing Industry in Canada

Year	Number of Employees
1870	187,942
1880	254,935
1890	369,500
1900	339,100
1905	383,000
1910	515,000
1920	685,000

The third point is wages paid:

Manufacturing Industry in Canada

Year	Wages Paid
1870	$ 49,000,000
1880	59,000,000
1890	100,000,000
1900	113,000,000
1905	162,000,000
1910	241,000,000
1915	283,311,000
1920	816,000,000

We come now to the value of the products manufactured in Canada:

Manufacturing Industry in Canada

Year	Value of Product
1870	$ 221,000,000
1880	309,000,000
1890	469,000,000
1900	481,000,000
1905	706,000,000
1910	1,165,000,000
1915	1,381,000,000
1920	4,024,000,000

It will be seen what remarkable progress has taken place in the industrial activities of Canada over the period of years I have given. In 1900 there were 14,650 industries employing five or more hands while in 1920 there were 43,200 of these concerns. I need do nothing more than give this table in order to show the remarkable development that has taken place industrially in Canada, and I have no doubt it will be sufficient to disprove the testimony of the Minister of the Interior. I would also remind the hon. gentleman that since he went to Alberta a pitiful change has come over the situation there. When he left Ontario for that province, Alberta was a land of prosperity; the young men were going from the East to the West, and we all remember how they would return in the winter with money easily won from the fields of Alberta and of western Canada generally, decrying and criticising the young men who stayed at home tugging at the stumps and rocks in these eastern parts. Since the Minister of the Interior has had his guiding hand over that province, sunny Alberta has gone back; but we observe that only one year after his departure from the province, Providence has seen fit to bless that land with one of the finest crops the people have ever had there. I have no doubt therefore that Alberta is praying for his continued absence. The hon. gentleman's knowledge of the history of the former Liberal party and its relation to the tariff is, I think, about as poor as his knowledge of the industrial growth of Canada: he ascribes all the ills of the country to the high tariff of the Conservative party and says that with the introduction of the low Laurier-Fielding tariff he can see signs of prosperity on the horizon.

Let me deal in a few words with the history of this country in its bearing on the tariff. From 1854 to 1866 we had a reciprocity pact, and there was an agreement between the United States and Canada, or at all events what was known as Canada in those days, that the treaty might be abrogated after one year's notice. That notice was given by the United States in 1865, the treaty was abrogated in 1866, and there ended our reciprocity with the country to the south. This reciprocity treaty was ended for two reasons: first, Canadian and British sympathy towards the southern states; and, secondly, the heavy internal taxation of the United States following the Civil War. By this treaty there were reciprocal rights in fishing: Canadians had rights on American shores north of the thirty-ninth degree of latitude, the Americans having rights along the shores of Nova Scotia, New Brunswick, Cape Breton and other parts of this country. The Americans also had the use of our canals and of the St. Lawrence for purposes of navigation, and there was a reciprocal free admission of nearly all natural products of farm, forest, mine and sea.

Now, I would draw the attention of all parties to this fact, that Canada took no steps to abrogate that Reciprocity treaty. It was generally agreed that Canada had not by any means the best of the agreement, but she was willing to keep her promise and

so preserve her national honour. I would also point out that Canada took steps to continue the Reciprocity treaty. In 1865, Galt, the then Minister of Finance, went to the United States and endeavoured to secure a renewal of the treaty; in 1866 he and Howland made another unsuccessful attempt; and even during the years 1866 to 1868 our canals were allowed to be used by the Americans under the terms of the expired treaty. In 1867 the first confederation tariff was put in operation, its maximum rates being from 15 to 20 per cent. In 1869 Sir John Rose, the then Minister of Finance, again renewed the offer to the United States to put in operation the Galt terms of 1865. It is very interesting, in the light of what is said about Sir John A. Macdonald and his "high tariff government," to note that at that very date John A. Macdonald, as he then was, was in the United States endeavouring to get free entry to their markets in return for our fisheries and transportation facilities.

From 1869 to 1873 there was a period of world-wide prosperity, in which Canada had a large share. Unfortunately Nova Scotia alone was suffering, and to her honour and credit be it said that in spite of the disadvantages which handicapped her under confederation she has never been greedy in her demands. In 1874 the Mackenzie government came into power. Now set in one of the worst periods of depression in the history of the country. Industrial depression was prevalent in nearly all other countries, and while George Brown was in the United States seeking, on the instructions of the Mackenzie government, to secure the restoration of the markets of the United States, Canada was becoming the dumping ground for manufactured products from every other country. It is very interesting to note that while at this time depression was rampant in most countries, the United States was the most prosperous nation in the world. She was extending her boundaries and filling her western lands with endless streams of immigrants. And it is significant that she was protectionist beyond all her rivals. Canada, on the other hand, with her low tariff of 15 per cent, was having serious deficits year after year under the financial administration of Sir Richard Cartwright. In 1878 came into office John A. Macdonald with his National Policy. This was a policy of moderate protection, but always containing—and this is an important point, contradicting the statements made in this House day after day—always containing the offer of reciprocity with the United States. Not only so, but in 1886 an unsuccessful attempt was made to renew the treaty of 1866, and again in 1891 another unsuccessful attempt was made.

Now I come to 1896, when Sir Wilfrid Laurier was returned to power. His government at once made a further attempt to renew the Reciprocity treaty and open up trade relations with the United States. An embassy was despatched to Washington for this purpose, but returned without success, and as a result of this last breakdown Sir Wilfrid Laurier uttered those words which are so well known throughout the Dominion, that "there would be no further pilgrimages to Washington." He then inaugurated what is now known as the Laurier-Fielding tariff, of which the following are the outstanding features,—although they are often forgotten, notably so by the Minister of the Interior (Mr. Stewart)—: First, raising the Canadian tariff to the level of the tariff of the United States,—that sounds very similar to the position we should assume to-day; second, instituting an anti-dumping clause; third, inaugurating a policy of tariff administration, calculated to be just as exclusive in its operation as the tariff administration of the United States was found to be. These were the bases of the Laurier-Fielding tariff. The tariff also included these further points: First, "no further pilgrimages to Washington;" second, no appeal to foreign gods; third, no reduction in tariff; fourth, stability for the business of Canada. These are the strong points of the Laurier-Fielding tariff which brought prosperity to this country.

4 p.m.

Now, what happened at that time on the United States side? This brings out a very interesting fact. In 1896 the Republican party gained power and under a strong protective policy established a new high level of tariff rates towards the whole world. The result of that was—and I would draw the attention of the House to this point—that the Laurier government was forced to establish a tariff much higher than any which had heretofore been put in force. So the myth of the Laurier-Fielding tariff being a low tariff is exploded. Theirs was the policy which should be adopted to-day. Included in that tariff was a British preference, thereby gaining for the Liberal party a large increase of English-speaking support throughout the Dominion. The Laurier regime lasted from 1896 to 1911, and under its tariff policy this country, we are told, enjoyed the most prosperous period in its history. But in 1911, at the request of the United States government, Sir Wilfrid

Laurier sought the sanction of the people to a reciprocity agreement with the United States, an agreement which would have given to our neighbours concessions even greater than those which had been asked for in the past. The Laurier government was defeated, and was succeeded by a Conservative government, which, so far as the tariff was concerned, introduced little or no change. In 1922 the Liberal government lowered the intermediate tariff schedules to France and other countries and increased the British preference. Unfortunately Mr. Fielding did not realize that the depreciated currency of those continental countries placed Canadian manufacturers at a great disadvantage.

Now, Sir, in opposition to the declaration of Sir Wilfrid Laurier that there were to be no more pilgrimages to Washington, which he supplemented by a policy of protection higher than that inaugurated by the National Policy of the Macdonald government, the hon. Minister of the Interior asserts that his government to-day is opening the door to American industries, and, in his imagination, has "rung the death knell of protection." The Laurier-Fielding protective policy brought prosperity to Canada. The King-Robb-Stewart-Crerar tariff has already brought about lessened receipts in this Dominion of ours, and the funeral bells which they are ringing are deadening the factory whistles of Canada at the present time.

Let us now examine some of the points contained in this budget. There is first the matter of a surplus. Apart from the criticism of that surplus on this side of the House we have the strong stand taken by the hon. member for St. Lawrence-St. George (Mr. Marler) and the hon. member for Brome (Mr. McMaster), that there is no surplus, and as a party we are quite content to let that idea go to the country, because when a government differ among themselves you may be quite sure that there is something wrong. This surplus that is so often mentioned reminds one of the speech made by the hon. member for Brantford (Mr. Raymond) lately in which he pictured the little boy praying for a toy. We might continue that story and say that the speeches on the other side, following the deliverance of the budget, put one in mind of the little boy after he has got his toy, saying: "I have a toy, I have a toy," for the speeches one after the other continue to repeat: "We have a surplus, we have a surplus." But when they differ among themselves I think that surplus can rightly be considered only a myth.

Second, there is the trade of Canada. There is always something to be said on the matter of our increasing trade, but it is worth studying to see whether or not this increase in trade is worth anything to the country. The imports under the French Treaty mean a lot of money going out of Canada, and nothing coming in. According to our Bureau of Statistics, there is contained in this statement of trade the fact that we have imported half as much whisky and exported twice as much as we did in the two years previous. That. of course, increased our trade, but it did not add very much to the prosperity of our country. I would also draw to the attention of the House that our friends to my left, who are perhaps the strongest supporters of this treaty, have perhaps not studied its results. I have here a table which concerns the trade of our country, and no doubt these imports are included in the total trade. It is a very interesting table and I would like my friends to my left to study it and see what they have done for the benefit of this country. There has been imported into Canada from September 1, 1923, to February 29, 1924, the following imports of brandy and other potable spirits and wines:

Potable Spirits—		Value
Brandy.. .. ..gallons	93,759	$ 594,049
Gin.. .. .. "	101,543	1,404,831
Other potable spirits from France and other countries.. .. .. "	527,533	9,245,885
Wines, non-sparkling.. .. "	344,138	521,144
Wines, sparkling in doz. 1 pt. bottles	3,996	33,678
Wines, sparkling in doz. 1 qt. bottles..	6,632	98,882
Wines, sparkling in doz. ½ pt. bottles..	529	1,723

The total quantity of wines imported from France was 221,816 gallons, valued at $434,-276. Those are wines imported into this country to compete with our own industry. These figures will all be counted in our trade returns, and unless one examines into all these things one would come to the conclusion that we were building up a great trade that was of some importance to Canada, instead it is a great injury.

This budget which has been presented to us is one of "Wait and see." The funeral bells are ringing, and we are told that they will be ringing much louder next year. It is a policy of a hand-out to the United States without any return for us. It is a policy which divides us as a people into classes. It hits one class of manufacturer, but not the others. It benefits one class, the farmer. Why not other classes? If it is for the advantage of the farmer to get his plough free, why not for the carpenter to get his hammer, and the mason his trowel? This budget illustrates the government's habit of jumping without looking where they are going.

The government made the French treaty without a proper study of the situation; it made a Fisheries treaty without a proper study of the situation; it bought a hotel in Paris without a study of the situation and not through a proper representative of this government; and now it makes a tariff without a proper study of the situation.

One point that is strongly emphasized, and which perhaps has brought about this great surrender and the disappearance of the Liberal party in its amalgamation with the Progressive party, is the western situation. On our tariff policy of the past has been laid the blame for all the troubles of the West at the present time, but a careful study of the West will show that there are certain conditions which have not been sufficiently considered by this House. There is first of all the survey of the West which divides it into sections, half sections, and quarter sections. By that survey the roads were not at all convenient for those living in the West, and it clearly prevented community living, which is the proper ideal of agriculture.

There is next the careless farming. If the early settlers of any one of the eastern provinces had farmed in the same way as a great many have done in the West there would be a different story to tell to-day in the provinces of Ontario, Quebec, New Brunswick and Nova Scotia. The eastern part of this Dominion had just as many hardships to contend with, and I believe more severe ones, than the West has ever had.

Mr. SPENCER: The hon. member spoke of the carelessness of the western farmer, but he just made a blanket statement. I should be very glad if he would give some examples of that carelessness.

Mr. ROSS (Kingston): It would take all afternoon to develop the question, but if you will listen for a few moments I will mention one or two. I am very sorry I have not with me at the moment a letter that I received from a very prominent Liberal who is much opposed to this tariff, and who was a former agent of the Liberal government. This letter was written, not by a man simply passing through the West on a train, but by one who had been through all parts of the West, and I will refer to one or two points—there are too many for me to take them all up. The farmers of the East who came here from the Old Country took up their abode on the shores of lakes and rivers. In those days they isolated themselves; there was no possibility of their returning to visit their friends or relations during their lifetime; they absolutely cut themselves loose from their former home ties. But in the case of those easterners who went to the West in the early days—I am speaking of some of my own relations now—they returned to the East each year and spent the winters here living on the easy money they had made and causing dissatisfaction among the people they encountered. But—and that is what this letter in question points out—the careless handling of the land and of implements in the early days of the West resulted in great waste—a greater waste than any tariff will be able to make good. Another point in regard to the western situation was the development there, following prosperity, of land booms and all sorts of frenzied speculation. In the next place there was the adoption of all sorts of fads with respect to taxation. These land booms and foolish forms of taxation have strongly militated against the introduction of capital into the prairie provinces of the West. A point that has been raised in connection with the tariff has been the cry that so much has been done for the manufacturers and so little for the agricultural interests. It may be asked what the manufacturer has received from this country outside of a protective tariff, to which we all contribute our small quota of some eight or ten dollars a head. On the other hand, what have the agricultural interests received from Canada? First of all federal contributions amounting in 1923 to $7,110,500. Towards agriculture Ontario contributes $1,529,000; Quebec contributes $824,200; New Brunswick, $92,912; Nova Scotia, $46,073; Prince Edward Island, $17,621; Saskatchewan, $1,060,975; Manitoba, $664,245; British Columbia, $398,370; and Alberta, $330,000. These sums do not include the grants that have been made by the different provinces towards the construction of colonization roads, a total almost as much as the direct contribution to agricultural development. So that when we compare these two aspects of our life in Canada—and I wish to be fair; I am no more interested in manufacturing than I am in agricultural development—we must admit that our industries have not been the only ones aided.

Mr. WARNER: Was the federal grant to which the hon. member alluded given altogether for agricultural roads?

Mr. ROSS (Kingston): No, I did not say anything of the kind. The colonization roads referred to have been aided altogether by the provinces to encourage the development of sparsely settled districts, and to provide avenues for transportation and marketing.

Mr. WARNER: Are not these roads used by cars generally; they are not limited to cars owned by farmers, are they?

Mr. ROSS (Kingston): In the early history of these colonization roads there were very few cars in use, in fact we might say none at all. To-day almost every farmer has a car, and I am going to speak later on the subject of cars. Instead of destroying industries we should build them up as far as we can believing that they add to the development of the great agricultural interests. Just here there is one point I would like very much to stress. There seems to be a demand in certain quarters for a low tariff. Now, it is very interesting to know that every country with a low tariff is a cheap labour country. The other night the hon. member for Brome (Mr. McMaster) spoke of the southern states. Those states were always supporters of low tariff, and it is largely because their vote was absent from congress in 1865 or 1866 that the treaty providing for reciprocity with Canada was abrogated. The southern states had Negro or slave labour. They were low tariff communities, and you can set it down as a regular thing that where there is a low tariff there is cheap labour. Do we wish to make Canada revert to the condition of these low tariff countries? I say, no. We have to maintain a different standard of living for our citizens, and I do not think it is in the interest of the Dominion as a whole that Canada should ever become a cheap labour country. I maintain that the budget, instead of considering the public good, has been devised in order to promote the political advantage of the government. Instead of considering all the conditions I have mentioned they have considered only party advantages.

In the budget a reference was made to economy. The government loudly proclaimed the necessity for economy, and that theme has been dwelt upon by several speakers during the present debate. But instead of acting upon their own advice the government have been most extravagant in their expenditures. Instead of placarding the country with notices advising the people to move cautiously the government have shown a bad example by their extravagant outlays. They should have again and again advised the people that the easy-money days were passed and it was time to exercise thrift. Instead of following that course, however, the government have devoted themselves to weakening the industrial position of Canada. They have embarked upon the extravagant and unnecessary construction of buildings to the extent of $6,000,000; they have appointed partisan officials at staggering increases in salary; they have made unnecessary additions to the public service. Typical of the latter class is the recent appointment of a Commissioner of Immigration to China. This is one of the acts of the Minister of the Interior (Mr. Stewart) and illustrates well the methods employed by him in his department. The government have simply capped the climax in the matter of expenditures. They have encouraged feverish expenditures upon railways, and it is well to recall that this is not a new era inaugurated by them. From 1853 to 1860 the same wild expenditure existed. Ontario was the field of foolish expenditure at that time, as the West is to-day. In Ontario we had charters and requests for such parallel branches of railway as from Cobourg to Peterborough, Port Hope to Peterborough, Belleville to Peterborough, Brockville to Ottawa, and Prescott to Ottawa, all parallel lines within a few miles of each other. And what was the result?—I am only mentioning these few because they are close to my home, but cases of those kind were found all over Ontario and other parts of Canada. While this form of speculation was going on municipalities were going head over heels in debt under what was known as the municipal loan fund system that was permitted by the provinces. The result of it all was that half of the projects had to be given up. Many of the railways after being started were stopped, because wages rose to a dizzy height, men with contracts gave them up, and the contracts had to be relet at higher prices. The result of all this was that the capital expenditure in these railways became very much higher than anybody expected, and municipalities could not meet the interest and had to default. This old part of Canada received a severe blow, from which we have hardly recovered. The same thing is going on at the present time. Railroads are being built now without any question as to whether they are necessary or unnecessary. There is demand coming from people who have to draw their produce many miles from the market, that a railroad should be built. Even at the present time, with all the railroads we have in the oldest counties in this country—Dundas for example—a farmer has to draw his produce a considerable distance. If we take the map and measure straight across as the crow flies we find a distance of eight miles, but the farmers in that locality would have to draw their produce perhaps sixteen miles. In North Renfrew where the distance

in a direct line is ten miles, and South Renfrew where the distance is twenty miles as the crow flies, they have to draw their produce twenty-five and thirty miles. In Peterborough county they have to draw eighteen miles. In Bruce the distance to a railway is fifteen miles, in Grey eighteen miles, Peterborough twenty miles, Northumberland twelve, Hastings ten, Addington eight to ten, Lambton fifteen, Frontenac eighteen to twenty miles, Leeds twelve, Grenville twelve. In an old well settled county like Lambton they have to draw their produce fifteen miles in certain parts, and even in the constituency of the Minister of the Interior (Mr. Stewart) (Argenteuil) they have to draw their produce twenty to tweny-five miles to a market. I am taking the distance to the nearest point of the railway, but we must also consider that these points on the railway are not always market points where a farmer can make a sale of his produce. So that even in this old part of Canada the farmers have to draw their commodities long distances. And yet we are not looking in all cases for a railway to relieve the situation.

In addition to this feverish haste I have mentioned, there is also a lack of energy shown by the government in dealing with very important things that should be dealt with and which should come under this budget. I wish to remind hon. members of the condition that I spoke of in the Speech from the Throne, and that was in reference to continuing the levels along our Great Lakes. This is a very important matter to us in the East. I spoke of it from a health or sanitary point of view, and I wish now to speak of it from an economic point of view. The United States are taking steps to protect themselves, but Canada will be a great sufferer in this matter if the lowering is allowed to go on, unless drastic steps are taken to prevent it. The West will suffer more than any other part of the country that I know of. I do not know whether it is generally known, but it is a fact that the boats coming down through the Great Lakes at the present time are lightering from ten to twenty thousand bushels a trip. Each boat is carrying from ten to twenty thousand bushels less each trip owing to the lessened depth of water in our harbours. That means a great loss to the steamship companies who are not making much at the present time. The lowest loss they are suffering is $675 a trip, but it means also, if it means anything, the very possible increase in transportation rates along the Great Lakes. I know that the government might take the stand, "What can we do? We have an International Waterways Commission, now we are going to have two or three other commissions; and what can be done in the matter?" I quite admit that there is no action the government can take to change the physical condition. But we can retaliate, and this is the course that has been adopted all these years in regard to tariffs. How can we retaliate in this matter? We have, I think, two practical methods of retaliation. The first is the closing of our canals. If the Americans persist in the system which is lowering the water level, we can refuse them the use of our canals. Of course some of our steamship companies might suffer if we adopted that course. But there is another alternative. We are to-day the only possessors of several natural resources owned in Canada. One is asbestos, another is mica, another is feldspar, and last, pulpwood.

Mr. MACLEAN (York): And nickel.

Mr. ROSS (Kingston): Yes, and there are others I could name. Here we have in our possession means of retaliation and means of bringing this matter to a head in the United States. But above these methods, I think pulpwood is the one article that we can hold for retaliation. We are shipping millions and millions of dollars in pulpwood to the United States, and we are not getting very much for it in return. In addition to sending out these natural resources from our own country, we are injuring some of our industries. And speaking of those industries, I would like to draw attention to the position of the newspapers. I have here a letter from a prominent Liberal newspaper, one of the strongest supporters the government have at the present time, the British Whig, published at Kingston. I think, carrying out my idea of some retaliation to prevent the lowering of our waters we might take some stand with regard to pulpwood. The editor of that paper writes to me as follows:

Dear Dr. Ross:

Re Sales Tax on newsprint

Owing to the condition prevailing in the newspaper field in Canada to-day, publishers are compelled, in self-defence, to urge upon parliament a relief from the sales tax as it affects newsprint.

The mortality list among newspapers since 1914 is appalling—

This is advice from a Liberal newspaper, and here is the list of papers which has been strangled to death, or had to co-operate with one another to make a living.

Mr. FORKE: Is the hon. member aware of the fact that the Canadian manufacturers are selling paper more cheaply to the Americans than they are selling it to their own Canadian users of paper?

Mr. HOCKEN: Because of the six per cent tariff.

Mr. ROSS (Kingston): If the hon. member for Brandon (Mr. Forke) will wait and see the matter through, he will see exactly the position we are in.

Mr. FORKE: All right.

Mr. ROSS (Kingston): The letter continues:

The mortality list among newspapers since 1914 is appalling, and I do not believe that the concentration of the control of the newspapers of this or any country in a few hands is a good thing for the public. The more freedom that exists in respect to the press the better for the public. I am enclosing herewith the mortality list above referred to, and I think you will agree with me that the newspaper publication business has been extremely hard hit by the rising costs of production. Unless some relief is afforded, many another paper will be added to the list of those which have ceased publication.

There is another aspect of the situation which is a very unfair one to Canadian newspapers. I refer to the fact that, whereas we have been obliged to pay 6 per cent sales tax, and from now on a 5 per cent tax, American newspapers and periodicals are permitted to buy our forest product free of sales tax and return it to this country free of duty to compete with our papers.

Mr. FORKE: I may be wrong; I want information; but I have been informed that fine paper was being sold in Canada for, I think, seven cents per pound, and the same paper was being sold to American users of that class of paper for five cents per pound, irrespective of the sales tax altogether. I may be wrong in that information. I have no hesitation in giving names, and the firm that I refer to was the Howard Smith Paper Company.

Mr. ROSS (Kingston): Of course, there are a great many kinds of paper.

Mr. FORKE: The same brand of paper.

Mr. ROSS (Kingston): But there are many brands. That, however, does not offset this statement that our own newspapers are being put out of business by this unfair handling of the pulpwood. I quote further:

Thus, they neutralise all our efforts at building up a Canadian national spirit. The peaceful, but no less persistent, infiltration of American ideals thus encouraged, does not make for the good of our nation.

For this and other reasons it might be stated that Kingston papers are requesting total relief from the sales tax on newsprint. May we ask that you give this request your support.

That is a letter which, perhaps, indirectly bears upon the statement that I wish to make, that we have in our hands certain natural resources with which we can retaliate against any steps taken by our neighbours to the south, and the use of our pulp and paper is one that I would very strongly draw

to the attention of the government, so that they may deal with this matter of lowering levels on our lakes which is destroying our Canadian harbours at the present time, interfering very much with navigation, and leading to the very possible increase in rates of transportation.

Before I finish I should like to make reference to a very interesting speech delivered yesterday by the hon. member for West Calgary (Mr. Shaw). In that speech he pleaded with this House that our tariff should be towards the line of free trade. He, curiously enough, and in the interest, not only of the members, but of all Canadians, referred to three countries in the old world which were giving prospects of free trade, and he said that they would be lights on the horizon for us as Canadians. Who do you think were the three countries mentioned by the hon. member. The first was Ireland, the second, Hungary, and the third, Russia. Those were the countries now leading towards free trade, and he would like to draw the eyes of Canada to those three countries. We are more interested in a nation that is very similar to our own in speech, in civilization and in all other ways that one would like to make the comparison, and that is the country to the south. He would like to have drawn our attention to the fact that the United States, as I would gather from his address, was very rapidly approaching a state of free trade. I have here a pamphlet which is called the Tariff Act of 1922 on imports into the United States:

To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

So, I say that this is the country we would like to study as they as a people are more akin to us by blood, by language and in many other ways. What is the tariff that they have, this "looking to free trade" tariff which has been spoken of by one or more members. I have a number of points marked in this document, but I do not like to take up the time of the House in referring to them all. This tariff goes as high as fifty and sixty per cent. In every schedule—and there are 1,400 of them—very particular provision is made that any of the articles brought in will not compete nor interfere in any way with American manufactures. For instance, take the tariff on coal tar products, which is a very extended list of articles and on which the tariff varies. This provision is inserted:

That for a period of two years beginning on the day following the passage of this act the ad valorem

rate of duty shall be 60 per centum instead of 45 per centum.

There is no possibility of introducing any of those articles into the United States. So, you can go on from article to article through these 1,400 schedules with the ad valorem duty rising as high as 75 per cent on some of them. It is also very interesting to turn to their free list which contains some 200 articles. I should like those hon. gentlemen who are talking about the free trade of the United States just to get this book into their hands, to study the text and the tariff on the different articles, and the special provision made whereby this tariff protects every manufacturing industry in that country. Articles allowed in free include:

Acids; agates, unmanufactured; agricultural implements, provided, that no article specified by name in Title I shall be free of duty under this paragraph.

Here is an interesting item of the free list:

Articles the growth, produce or manufacture of the United States, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means if imported by or for the account of the person who exported them from the United States is admitted free.

There is nothing in the history of tariffs that shows the patience and care taken to protect, even on the free list, the manufacturer, such as that provision. Another article on the free list is:

Barks, cinchona other, from which quinine is manufactured.

None of that is found in the United States, but it is all imported from South America. This is another very interesting provision:

Bolting cloths composed of silk, imported expressly for milling purposes.

There is no possibility of any competition there. This is another very interesting one of the 200 articles of the free list:

Books and pamphlets printed wholly or chiefly in languages other than English.

Does that give any opportunity for competition? Linotypes, typesetting machines, typewriters, sand glass machines, all made in the United States, are free, if there were any possibility of bringing them in; but there is no possibility. This list also includes cobalt and cobalt ore; in fact, every mineral that is allowed in free is an ore, and its free entry is allowed in order to encourage manufacturing. Then we find cocoa, coffee, coins gold and silver, copper and other metal compositions of which copper is a component material, of cheap value not specially provided for. These are free. Also free are copper ores; and coral, but, observe, uncut and unmanufactured. There is also included in the list one article which hon members would like to know, for the religious benefit of the Chinese in their constituencies. I refer to joss sticks. The House will note with what particular care the United States protect themselves. Minerals are free—but minerals crude, and not advanced in value or condition by refining or grinding, or by any other process of manufacture which is not specially provided for. Then we come to oils, spermaceti, whale or other fish oils of American fisheries, which are all in the list. And here is another very interesting free list: personal effects, not merchandise, of citizens of the United States who die in foreign countries. Quinine and sodium also are free. And last of all is the list in connection with agriculture. In short, there is nothing on that free list in the whole 200 items which would compete with any manufacturing business in the United States. This, I say, is the country that we should study, and if it is necessary to imitate any country, the United States is the country we should follow. I am not particularly an advocate of imitation, but I certainly say that if there is one nation whose fiscal policy we should copy, and might copy with profit to ourselves, that nation is our neighbour to the south of us. And she is not a low tariff country but one that is well protected.

One wonders what course one should take for the general good in regard to this matter of tariffs. Many have recommended the appointment of a board; but if such a body would take away from the government its responsibility for the trade policies of this country then I for one would not support it. I believe that the government should be composed of individuals strong enough to take upon themselves individual responsibility for the management of their several departments and who would not seek to depute that responsibility to any board. If, however, by a tariff board is meant one that would gather information for the use of all classes and groups of people in this country, which information would be readily available at all times, then we can see nothing but good as a result of its appointment. It would be highly advantageous if that board were every day on the job collecting material, gleaning information from all sources for the benefit of the Canadian people. Such information would not be biased politically, would not be coloured by any partisan predilections, and we should be able to have some guidance in the treatment of the question of tariffs.

I thank you, Mr. Speaker, and the members of this House who have borne so patiently with me this afternoon, and before I resume my seat I would ask the government to take these representations into consideration.

Hon. E. J. McMURRAY (Solicitor General): My apology for rising to address the House on a subject which has been so widely canvassed already is the fact that I am one of the few Liberal representatives in parliament from western Canada. At the commencement of my observations I wish to associate myself in all sincerity with the feelings, which I am sure all members of this parliament share, of regret at the continued illness of the Minister of Finance (Mr. Fielding) which prevents him from occupying his accustomed place in this House and which has made impossible the delivery by him of the budget on this occasion. At the same time I wish to congratulate my colleague the Acting Minister of Finance (Mr. Robb) on the exceedingly able budget which he has presented to the House on this the first occasion on which he has undertaken that difficult task. The budget is an epitome of clearness and has proved the business capacity of its author and shown his comprehensive grasp of the situation with which it deals. Rightly, it did not enter into any question of theory but confined itself entirely to dealing with the conditions as they actually existed in Canada to-day. And assuredly it is the duty of a minister of finance, not to speculate on conditions in regard to either free trade or protection but to consider the facts as they actually are and in the light of those facts to submit to parliament such measures as will promote the prosperity and welfare of the people. Judged from that point of view, the budget, I think will find a ready reception at the hands of the Canadian people.

What are the prevailing conditions in Canada? I think it will be readily admitted that our people are suffering from a heavy burden of taxation; and this is true not only of our agricultural communities but of all sections of the country as well. This heavy burden is due in a large measure to the war. The war has disjointed industry in every direction, and that is particularly true so far as agriculture is concerned; for apparently the prices of farm products have been far slower in returning to normal than have those in any other industry. Agricultural prices have not so readily stabilized themselves; and apart altogether from any question of extravagance on the part of the farmers in western Canada, as has been alleged, the outstanding fact is that there have been remarkably low prices for all agricultural products as compared with a continuing high level of prices for the things which the farmers are obliged to purchase. The result has been that the large farming population of the country, the people who are engaged in the major industry, find themselves in dire straits, hardly equalled within the last twenty-five years. Indeed, it is questionable whether we can find, in a much earlier period of the country's history, such conditions of hardship as exist in Canada to-day. In the light of these conditions the budget has been drafted. It has been drafted not with any desire to interfere with the protected interest but as a practical measure to relieve the burden of taxation and encourage industry.

The budget is entirely consistent with the Liberal platforms of the past. The platform of 1893 was opposed to protection as a principle and declared:

> That the customs tariff of the Dominion should be based, not, as it is now, upon the protective principle, but upon the requirements of the public service.

The platform of 1919 contained a clause declaring the desirability of reducing the duties upon the instruments of production; indeed, it apparently contemplated their entire removal. Another clause pledged the party to lower the cost of living. I submit that this budget is a partial carrying out of these principles. It has been charged by our Conservative friends that the government has struck a bargain with the Progressive party. But I have shown that the budget is entirely in keeping with the party's platforms of 1919 and 1893. I wish this declaration to go out to the country: The Liberal party has made no bargain whatever with the Progressive party. On the contrary, the budget is simply the carrying out, in part, of the Liberal platforms of 1919 and 1893 which I have quoted. In these respects we have been true to the policy and traditions of our party.

The budget is a clear-cut indication that the government is committed to the development of the great natural resources of the Dominion, and affords an opportunity to distinguish between those who adhere to the policy of protection and those who adhere to the policy of a tariff for revenue.

Mr. MEIGHEN: Perhaps the hon. gentleman will recall that his 1919 platform promised, among other things, free cement. Will he tell us why cement has not been touched?

Mr. McMURRAY: I would remind the right hon. gentleman that Rome was not built in a day. I said that the budget is a partial fulfilment of the policy laid down in the platforms of the Liberal party. I also said at the outset of my remarks that it was the duty of the Minister of Finance to take into consideration the conditions prevailing in the country and in the light of those conditions to bring in legislation that would be beneficial to the country as a whole. Does my right hon. friend think we should take the duty off cement?

Mr. MEIGHEN: Certainly not. I never said so, though; that is where I differ from the hon. gentleman. He tells us that this is to be only a partial fulfilment of the party's platform. Are we to expect free cement next year or the year after?

Mr. McMURRAY: The policy of the Liberal party will be to effect a gradual reduction of duties and a consequent lowering of the cost of living. It may be that the duty will be taken off cement, it may not be; I am not here to announce the future budgets of the Liberal party.

Mr. MEIGHEN: How is it that the hon. gentleman was so positive in 1919?

Mr. McMURRAY: I was not announcing budgets in 1919, neither had I any idea at that time that I would be standing in this House and speaking on this budget.

Mr. MEIGHEN: A great difference.

Mr. McMURRAY: Yes. I have already said that this budget would be received with great satisfaction by the people. The knowledge that there will be a reduction in taxation of $24,000,000 is good news in the homes of struggling people, to whom a reduction of three or four dollars in taxation is a considerable relief. This reduction in taxation is also very satisfactory to our farming population, who complain that they have been heavily taxed for the benefit of a comparatively small agricultural implement manufacturing class, an insignificant class numerically compared with those engaged in agriculture, and even compared with those engaged in manufacturing generally, for all told it numbers only about eight thousand people, with an invested capital of about $94,000,000; a mere fraction compared with the great number of our people employed in agriculture and their capital investment.

5 p.m.

Now, what are the arguments of our Conservative friends against the budget? The only objection that we hear in this House proceeds from those who are in close contact with manufacturing districts. Our Conservative friends never argue the economic justice of protection. We have listened this afternoon to an able speaker, the hon. member for Kingston (Mr. Ross), but not once in the three-quarters of an hour during which he addressed the House did he attempt to justify protection as an economic principle. Protection lays a burden upon one section of the country for the benefit of another section. But our Conservative friends attempt to discount this economic injustice by bringing forward a series of so-called arguments in support of protection. In a word, they are strong in assertion, weak in argument, and lacking in proof. Their first argument is that of the lawyer in court: They are thinking not of themselves but of the poor workingman. Invariably the supporters of protection speak about the necessity of providing work for our working people and declare that they should not be obliged to go to the United States and other countries to seek employment. Let us examine the soundness of this argument.

Mr. MEIGHEN: Before the hon. gentleman proceeds, I should like to get him to the point. If he believes that protection is an economic injustice, why does he tolerate it for so many months, why does he not see that it is got rid of at once?

Mr. JACOBS: He is only one member of the government.

Mr. MEIGHEN: The rest are fighting him?

Mr. McMURRAY: As I have already told my right hon. friend, Rome was not built in a day. One of the evils of protection is that once established in a country it is very difficult to remove it without causing undue hardship not only to the working people, whom the Conservatives pity so much in their arguments, but to the country as a whole through the disjointing of business. We are all drawn more or less together in every way, and reforms can only be made step by step.

Mr. MEIGHEN: How, then, does the hon. gentleman explain the new protection introduced last session for artificial silk?

Mr. McMURRAY: My right hon. friend cannot get over that French treaty apparently.

Mr. MEIGHEN: Oh no, it is not the French treaty at all, but the budget of last session.

Mr. McMURRAY: I will touch on that. I wish my learned friend would try and keep to the subject of my argument, instead of wandering afield.

Mr. MEIGHEN: This is keeping to the subject. Do not forget my point.

Mr. JACOBS: He was not a member of the government when that was introduced.

Mr. MEIGHEN: He supported it.

Mr. McMURRAY: I suppose the workingman is not worrying very much about artificial silk to-day at any rate. Now what is the position as to the workingman? The hon. gentleman who has just sat down (Mr. Ross) argued that protection keeps up high prices, and that the workingman gets good wages, possibly the highest wages under protection. It is true that protection will keep up prices to a certain extent, but only to a certain extent, as the history of protection in this country shows. The workingman may get higher wages, but it is debatable whether he gets steady employment or not under protection. He has to pay more for what he consumes just the same, and the financial critic of the opposition was going to benefit the workingman by protecting the farmer and raising the price of the eggs and the cheese and the other things that the workingman eats. He and his friends would put the workingman's employer in a protected market, but is the workingman protected? No, because the doors of immigration stand open, and he must face the competition of those who are coming into this country. He always had had to face that competition in this country, and on more occasions than one employers have come to parliament and urged the bringing into this country of trained artisans, in order as they said, that industry might develop and operate better. So the argument of my Conservative friends that protection is beneficial to the workingman is obviously weak, because he has to buy at a higher price the necessities of life in a protected market and the door is always open to let in immigrants to compete with him. The employer is protected, but the workingman is not. So the argument of our protectionist friends is without foundation.

The second great argument that our protectionist friends make is that protection will build up a home market in Canada. I suppose what is meant by a home market is that there will grow up in this country large industrial centres, giving employment to a large population, which will consume the products that the farmer produces, and in that way supply him with a market for his goods, but one thing our Conservative friends have never been able to do is to show just exactly what protection has done for Canada, just exactly how much of a home market it has built up. Australia, for instance, is no great industrial country at all. I would judge from casual reading and the knowledge I have of the large cities of Melbourne and Sydney, that they have grown up without the aid of manufactures or high tariffs. Will my hon. friends contend that Edmonton, Regina, Vancouver and Winnipeg, cities which have had a phenomenal growth, were built up by protection and by manufactures in those cities? They are distribution centres for a large section of the country, and they would distribute just the same under a low tariff. Goods coming from the United States would develop them just as much, because they are cities that have been built up on the export and import trade passing through. I would doubt very much whether the city of Montreal, which has had a remarkable growth, has not been built up in part by the passing of goods in and out through its doors.

The next great argument of the protectionists, indeed, the favourite one of my right hon. friend and those who follow him, is loyalty to country. We always have had that argument, that the goods consumed in Canada should be produced in Canada by our own people, for our own people. That must be done, no matter what the goods cost, and our protectionist friends charge their opponents with knuckling down to the Americans, with not standing up and fighting them and putting up a high tariff wall. I would ask, who is it that is knuckling down? Who is it that will not stand up and fight the Americans? It is the manufacturer. He asks the agricultural interests to put their shield and buckler out in front of him to shield him. He is the one who is constantly sounding the bugle of retreat; he is the one who will not fight and compete against the Americans. So the argument of knuckling down or backing up goes right home to my hon. friends opposite. They ask the agriculturist to protect and shield the man who is in a position to compete.

Now what has been the real policy of the Conservative party, and have they been sincere in their contentions and arguments? The policy of the Conservative party, as was well stated this afternoon by the hon. member for Kingston (Mr. Ross), was laid down by Sir John A. Macdonald on the 7th of March, 1878, in the old parliament buildings here.

In concluding his speech Sir John Macdonald said that protection would—

—encourage and develop an active interprovincial trade, and moving as it ought to do, in the direction of a reciprocity of tariff with our neighbours, will greatly tend to procure for this country, eventually, a reciprocity of trade.

Later on, another eminent chieftain of the Conservative party, Sir George Foster, speaking in this House in 1893 said:

But, Sir, if there is anything like honourable reciprocity, anything like reciprocity with mutual advantages, and which can be bought by not paying too dearly from the life blood and industrial blood of this country, if there is any reciprocity of that kind this government stands committed to take it and to strive to get it.

That is the stated policy of the Conservative party. I have often thought, and I believe many others have entertained the same opinion, that the National Policy was a "pick-up" policy. Owing to the condition of hard times prevailing in Canada, a condition that was world-wide Sir John A. Macdonald, astute politician that he was, picked up for the time being a policy of high protection, but he took good care to state that it was to be a moderately low tariff and that its object was, as it ought to be, reciprocity of tariffs with our neighbour to the south. Sir George Foster, as I have said before, emphasized that attitude. When the time came the Liberal party, true to their platform of 1893, brought forth the policy of reciprocity with the United States. In 1911 an election took place on that issue, and where did our Conservative friends stand then? Where did the leader of the opposition stand on that occasion? What was the course of the party who were committed to a policy of reciprocity of tariffs? They opposed reciprocity absolutely in the belief that it would hurt their protégees, the manufacturers of Canada.

An hon. MEMBER: That was the trouble.

Mr. McMURRAY: Reciprocity was not going to hurt them but they were afraid it would. So the Conservative party lost courage and trembled at the approach of danger. Reciprocity was in the interests of the people of Canada, as I shall prove by figures before I close, but the Conservatives claimed it meant the insertion of the thin end of the wedge and that although it might be in the interests of the consumers it would injure the manufacturers with whom they are associated and who are their political friends. The so-called National policy at its inception failed to visualize the Canada of to-day. It was evolved when we were a small pioneering people in Ontario, Quebec and the Maritime provinces and conceived of a market in the towns of the Canada of that day, for the poultry, eggs, vegetable products, and other commodities, which the farmers were able to produce in a small way. That policy never contemplated the great world-wide trade that we enjoy to-day. It never conceived of the great Canadian West with its production of 400,000,000 bushels of wheat a year. If the National Policy had foreseen such a prospect it would never have had the audacity to propose to build up in the manufacturing parts of Canada a home market sufficient to take care of the vast production of the Canada of the future. The National Policy was restricted, it was confined in its outlook, it was not constructive, nor was it really national in its character. It never took into account the development of the vast area of western Canada at all, that portion of our country which to all appearances in the years to come will contain an overwhelming proportion of our population. It took no account of the West, and what did it give to the Maritime provinces? If any section of Canada is entitled to praise for its great loyalty and steadfast adherence to confederation it is those little provinces down by the sea. They maintained this attitude in spite of the hardships they had to encounter, and notwithstanding the fact that they could hardly ever hope to get into the market of central Canada. The only thing I can conceive the National Policy has done for them has been to give them a little protection on coal, and some assistance in the shape of the Intercolonial railway. Why call the policy introduced in 1878 a national policy at all, when it was not national in its character and did not embrace any proportion of Canada? Why call it national when its benefits, such as they were, were confined entirely to a limited section of our people?

Now, let us see what happened in the way of developing Canada as a result of the inauguration of the National Policy? When the National Policy was introduced in 1878 our exports amounted to $67,989,000 and after eighteen years reached a total of $109,000,000, a gain of some forty millions in eighteen years, or 3½ per cent per annum. Our imports under the National Policy in 1878 amounted to $90,000,000. In 1896 they had increased to $105,000,000, a gain of fifteen millions in eighteen years or less than one per cent per annum. The total trade of the country increased from $158,000,000 to $215,000,000 in eighteen years, or a growth of 1⅘ per cent per annum The population from 1878 to 1896 increased one million.

Under the Liberal policy adopted in 1896 a different story has to be told.

Mr. BRISTOL: Was the tariff higher or lower than previously?

Mr. McMURRAY: I will go into that whole matter. The tariff was consistently lower. The hon. gentleman may differ with me but I contend that it was lower. I will endeavour to show my hon. friend that it was another policy altogether than the National Policy that made Canada great and prosperous. Under the Laurier policy our exports increased from $109,000,000 in 1897 to $274,317,000 in 1911, or a growth of 120 per cent in that period, at least three times the rate of growth under the National Policy. The imports were more marked than that. Our imports increased from $106,000,000 in 1897 to $452,725,000, or 327 per cent in 1911, or at the rate of over twenty-three times what they were under the old policy, and our total trade in those fifteen years increased from $230,000,000 to over $727,000,000, or at the rate of nearly fifteen times what it was under the old National Policy.

Mr. BRISTOL: What was the tariff on agricultural implements in 1897?

Mr. McMURRAY: I will give my hon. friend all that later if he will allow me to develop my argument. The population of Canada in these fifteen years increased by two and a quarter million. I well remember in Ontario a portion of the time when the National Policy was in operation. Those were dark and dismal days in our country. Our people were leaving Canada by the thousands. The National Policy could not supply employment for them at home. The young Canadian, the manhood of Canada, went to the States, to build up Chicago and Detroit, to populate Minnesota, the Dakotas and Montana. Prices fell in the country. I well remember my father selling milch cows, good quality, at $18 and $20 apiece, and horses at $50 apiece. I boarded in Stratford with a man who worked for $1 a day shovelling coal. Wages fell. The market was not in Canada. It had reached its full development. They could employ no more. There was no more market. The Conservative party never had the capacity, or the National Policy never had the capacity, to settle the Canadian West.

Mr. BRISTOL: Did the Conservative party have anything to do with the construction of the Canadian Pacific Railway?

Mr. McMURRAY: The Conservative party probably had something to do with the construction of the Canadian Pacific Railway to the West, but if the Conservative party were not favourable to settling the country, Canada would be better without the road if that party were to remain in power. While they may have started the construction of that road, my hon. friend would probably be frightened if I were to recite the circumstances of the connection of the good old Conservative party with the building of that road. We know what happened in Canada in the eighties. Our people went out of this country. The many statistics that I have before me will show that native-born Canadians were going out of Canada at the rate of 116,000 to 120,000 a year, and that was not at a time or under conditions such as exist in Canada to-day. During the war, while Canada was wasting its blood and treasure, the United States was accumulating tremendous amounts of money and was gathering together vast stores of wealth that had to find an outlet in the development of the resources of that country, calling to our artisans in Canada to go over there. It is not to be wondered at that there would be an emigration from this country to the United States under those circumstances. These are exceptional circumstances in the country. But when that great emigration went from this country to the United States during the fifteen years of the National Policy, there were no such differential circumstances between this country and the United States. The two countries had great natural resources to be developed, and they were populated by a race of people very much akin, but the National Policy could not keep the people on the farm, and could not give work to the people in the city. Wages were low and prices were poor. They could not develop the country and Canada was in a very serious predicament. Had there not been a complete change of policy by Sir Wilfrid Laurier and his government, had they continued merely the National Policy, the great Canadian West would never have been settled, and we in all probability would have been in a serious condition financially.

Mr. SUTHERLAND: What policy did they give us?

Mr. McMURRAY: I will tell my hon. friend the policy they gave us, and I will also answer the questions asked by the hon. member for Centre Toronto (Mr. Bristol). They gave us a great immigration policy, a policy that opened up the doors of the great Canadian West to the people of the country. The Conservative party had absolutely nothing to give to the West, never gave anything to it and never would. They cannot show in all the years they were in power in this country a single thing they gave to the West.

Mr. BRISTOL: They gave the people the railway to get there.

Mr. McMURRAY: They gave them the railway? That railway was first started by the Liberal government under Alexander Mackenzie.

Mr. BRISTOL: To what extent did the Laurier tariff increase or decrease customs duties, particularly with reference to agricultural implements which you have been discussing?

Mr. McMURRAY: I have it all right here. The first thing that the Laurier government did when it came into office was to look over the resources of this country, and proceed with their development. One of the first things that government did was to establish a cold storage system to take care of the products which the farmer had to sell in his home market. The National Policy had failed to establish a home market. It could never have dreamt of establishing a home market as its advocates prophesied to the people of Canada. A home market might have been established for a small section of Canada where they were producing in a limited way; but taking this country with all its great resources, the National Policy was one of restriction, one of walking slowly, something that might have developed this country in thousands of years to come, but which never could have developed Canada in any reasonable time. Things had to be brought into the country in order to build it up. Outside markets had to be established. The goods of the country had to go out of the country, and, as one hon. gentleman said the other evening, when you sell your goods you must be prepared to buy. The Liberal party established a great cold storage system, and they commenced to lower the rates on the railroad. The Crowsnest pact was established at that time to protect the farmers of western Canada in the rates they had to pay. They did reduce the duties my hon. friend speaks of. The duties were reduced all along the line in 1907 on agricultural implements.

Mr. BRISTOL: I was asking about 1897.

Mr. McMURRAY: The condition of this country at that time by reason of the National Policy was such that there was a positive danger if too active and drastic action were taken. We simply had to take things as we found them and carry them along; and true to our pledges, we turned to reciprocity and reduced the tariff all along the line in 1907. Four years later we proposed reciprocity with the United States, and, true to our policy, we fought it out. There is a suspicion, and more than a suspicion, abroad in this country, that vast capital was gathered together of those interests who were not being injured at that time at all by the reciprocity pact, to fight for their own selfish advantage against the welfare of the vast consuming and producing population of this country.

Mr. SUTHERLAND: Under the reciprocity pact, was not the tariff on all agricultural implements, everything the farmer has to buy, and particularly cement, much higher than the tariff is to-day?

Mr. McMURRAY: Then I will ask the hon. gentleman: Why did he vote against reciprocity? Why did the Conservative party oppose it if those tariffs were higher as he alleges? Is there any consistency in their attitude?

Mr. SUTHERLAND: I asked if that was not a fact. It is no answer to ask another question.

Mr. McMURRAY: It is a very fair answer.

Mr. FORKE: That is the usual Scotch method.

Mr. McMURRAY: The method is well recognized.

Mr. SUTHERLAND: Does my hon. friend want an answer to his question?

Mr. McMURRAY: No.

Mr. SUTHERLAND: I may say that I opposed reciprocity because it was placing on the free list everything the farmer had to produce and nothing he had to buy.

Mr. McMURRAY: My hon. friend's views, apparently, were at great variance with those of the farming population of this country in that regard.

Mr. SUTHERLAND: Not at all.

Mr. McMURRAY: We find, however, in 1907 a substantial reduction all along the line on articles from what they were in 1894 and very much from what they were in 1883. If my hon. friend will pardon me, I will come in due course to the question of reduction of those duties.

The immigration policy of the Laurier government, carried on in spite of the high tariff conditions in which we found ourselves, brought into Canada in fifteen years 2,250,000 people; it multiplied our trade by 500 per cent; it multiplied our imports by more than

that amount, and it found for the manufacturing interests of this country a market that their Conservative friends could not find for them at all. In those fifteen years the great cities of the West grew, the cities of Ontario grew, Montreal grew, Vancouver grew; they grew because of a great immigration policy, and they proceeded to develop the resources of this country and to open it up.

Mr. SUTHERLAND: Was this immigration not owing to the fact that railways had been built through the western country enabling the country to be settled? In the earlier days of the National Policy, those railways were not there and consequently the country could not be settled.

Mr. McMURRAY: Those railroads were there for a long time. The Canadian Pacific was built through in 1882, 1884 and 1885. The country was there and just as rich as it is now, just as rich as Montana, just as rich as the Dakotas, to which the National Policy was sending 100,000 to 125,000 of our young Canadians every year to settle and populate that country. Why could the National Policy not have sent those young men to western Canada? It could not do that.

Mr. BRISTOL: They were all scared that the Liberal party were going to bring in free trade.

Mr. McMURRAY: They are not very much afraid of it now. In western Canada the people have never been afraid of free trade. It was that immigration policy that built up the very city which my hon. friend has the honour to represent. What the manufacturers of this country want is a home market for themselves. The producing people, the agriculturists of Canada, can never have a home market of any adequate size supplied to them here. They must go out to the world with their supplies. The great failure of the National Policy was that it destroyed the home market for the manufacturers. My hon. friends have asked me concerning the reductions in the duty on agricultural implements, and it is very interesting to consider the attitude of manufacturers of agricultural implements from the day of Sir John A. Macdonald's tariff, his so-called National Policy, to the present time. I say without fear of contradiction, that manufacturers of agricultural implements in this country have been opposed to or, at least, have never demanded a high protection policy. I have the examination of Mr. Frost, of the Frost and Wood Company, held before a committee of this House away back in 1876. He was asked whether his company wanted protection. He was asked this question:

[Mr. McMurray.]

How does the cost of material, rent, and labour in the United States compare with the cost in Canada?

He replied:

The machine we sell at Prescott at $75, twelve months' credit, is sold by the American manufacturers at Ogdensburg, at $100.

Q. Still you sell cheaper than the manufacturers in the United States?

A. Yes, 25 per cent. By competition we succeeded in driving them all out of the country.

John Watson of Paris, Ontario, a well-known manufacturer there, giving evidence on the same occasion, said:

I have worked up my business, commencing with two men up to what it is to-day, increasing each year. Just as my capital increased I put it in the business.

Then he was asked this question:

If we adopted a policy which would require protection to iron manufacturers as well as other trades, the effect of that would be injurious to your trade?

A. Yes; I think our business is protected just as much as it is necessary to protect it. The Americans can do nothing in the way of sending their goods here. We can compete with them in any shape, and we produce an article which they cannot excel.

Mr. SUTHERLAND: What was the tariff at that time?

Mr. McMURRAY: It was 15 per cent. Then Mr. Watson was asked this question:

Do you believe the policy of the present government in not protecting home industries is a good policy, allowing the Americans to flood our market with goods?

A. I think it is better to do that than to increase the tariff—

And I would call the attention of my hon. friends opposite to this.

—because the foundation of this country is agriculture and if you increase the tariff for the benefit of manufacturers, of course it must be disadvantageous to the farmers. I have noticed that in a season when the farmers were prosperous the better position they were in, the better position I was in.

And, the better position that the agriculturists of western Canada, indeed of Canada as a whole, are in, the better for the manufacturers of this country. They should cultivate the home market, not destroy it. I have this letter, dated in 1876, from Mr. Massey of the Massey-Harris Company. In conclusion, he says:

We may also add that the existing tariff is satisfactory to us—

It was 15 per cent at that time.

—and is sufficient protection, perhaps even a little less would also be. A still further advance in the tariff would certainly prove adverse to our interests.

Mr. BRISTOL: I do not want to disturb my hon. friend, but I should really like to know what they got in 1897.

Mr. McMURRAY: Never mind disturbing me; I shall probably disturb you before I

am through. I will tell my hon. friend what they got in 1911.

Mr. BRISTOL: No, 1897.

Mr. McMURRAY: This was the evidence of Mr. Metcalfe, of the International Harvester Company, given before the committee of Ways and Means in the United States. He was asked the following questions:

Mr. Cumpacker: Do you manufacture any cheaper in Canada than in the United States?
Mr. Metcalfe: They do not.
Mr. Cumpacker: As cheaply?
Mr. Metcalfe: Comparatively.
Mr. Cumpacker: Can you manufacture cheaper than the English manufacturer or the German manufacturer?
Mr Metcalfe: I think they can, otherwise they could not compete with them in Germany and England.

And last year, before the special committee of this House that was appointed to inquire into agricultural conditions in Canada, Mr. Thomas Bradshaw, general manager of the Massey-Harris Company, testified as follows to the chairman of the committee, the hon. member for Brome (Mr. McMaster), in regard to the company's plant in New York state:

Q. Do you find that your costs of production in Toronto are lower than your costs of production in Batavia?—A. They run about the same.
Q. They run about the same? I should judge from your answer that there was just some slight advantage on one side or the other.—A. I would think that the Batavia plant on certain machines only has the advantage. I would not say that in all machines it has.
Q. Do I correctly gather from your evidence that it costs your company about the same amount to manufacture their machinery in the United States and in Canada?—A. I will not say all our machines, because that is not the case, but some machines are manufactured more cheaply in the States than they are in Toronto, and vice versa.

We have the testimony of these manufacturers of agricultural implements, and if my hon. friends of the Conservative party will do themselves the justice of reading this evening's Journal, published in the city of Ottawa, they will see in that newspaper the statement of the Massey-Harris people that they are very well satisfied with this tariff and are capable of making a reduction on machinery sold to the agricultural people of the country. The real fact of the matter is that, so far as the agricultural implement industry in Canada is concerned, there has never been any need of protection; and to show that this statement is true I will now oblige my hon. friend (Mr. Bristol) and the hon. member for South Oxford (Mr. Sutherland) by citing some figures in regard to the tariff on certain lines of agricultural machinery. I think that this will show that while we have not by this budget hurt the manufacturing industry of Canada to the slightest extent, we have on the other hand done something that will prove beneficial and encouraging to the farming population of the country. In 1867 the duty on mowing machines, and so forth, was 15 per cent; in 1879 it was 25 per cent; in 1883, in the halcyon days of the National Policy, it was 35 per cent; in 1894 it was down to 20 per cent, which was also the rate in 1897. In 1907 it was 12½ per cent, 17½ per cent, and 17½ per cent.

Mr. SUTHERLAND: Under the Laurier tariff?

Mr. McMURRAY: Under the Laurier tariff it was cut 8 per cent. In 1914 it was 12 per cent., 12½ per cent and 12½ per cent; in other words, I take it that my hon. friend's party in 1914 reduced the tariff to a certain extent. I do not know why they did so; evidently there must have been some mishap: their friends the manufacturers in that particular branch had not been conducting themselves properly in some way. In 1921 the duty was 12½ per cent and we made a reduction; and this year it is reduced to 6 per cent. This notwithstanding, however, the Massey-Harris people say that they can stand the reduction and that it will not hurt them. All along the line there will be noticed a diminution of the terrible burdens which our people have borne. In 1883 under the National Policy the average tariff was 35 per cent, and we have reduced it to 20 per cent, 12½ per cent, 12 per cent and now 6 per cent. But that is not all. My hon. friend's leader (Mr. Meighen), who I regret to say is not present, placed himself on record unqualifiedly in this House, and in the right direction in my opinion, in opposition to the tariff on agricultural implements. He said it was too high, and in his argument he did not select agricultural implements alone; he said that what argument he had to make would apply with equal force to a good many others. He argued against protection for these implements, and he took the ground of Foster and Macdonald, saying that these were to be encouraged only as nascent industries and that as they grew up the burden which they imposed on the people should be thrown off. Apparently he took as his criterion the capacity of these industries to manufacture; that was to be the test as to whether they needed further protection. He referred to the amount of goods which these companies were exporting; and if that was a true test then it ought to hold to-day, when we are exporting so much more than we did in those days. The export of agricultural implements has increased steadily in the last four or five years, and in

order that I may reinforce the argument I am making I propose to put the figures on Hansard. My right hon. friend made the statement that these industries were entrenched behind ramparts of gold, a statement which he had to meet during his last campaign in western Canada. He went further and said that we had built a Chinese wall around them, and while he did not propose to wipe the duties out altogether he was going to reduce them. I say therefore, in the light of the hon. gentleman's remarks at that time, that he cannot argue against any reduction on agricultural implements to-day. He took as his test the export trade of the agricultural manufacturers at that time, and that trade is greater to-day than it was in 1910. Not only was that his position; the Hon. Mr. Lake, the then member for Qu'Appelle, and Mr. Herron, a Conservative representing the constituency of Macleod, contended that the duties should be absolutely removed from agricultural implements. That is the history of the agricultural implement industry in Canada; that is the history of the attitude of the right hon. gentleman who leads the official opposition; that also is the view of some Conservative members representing constituencies in western Canada on that occasion. These being the facts, how can we be charged to-day with trying to do by this budget what is unfair, or putting a heavy burden upon our manufacturing industry? The history of the agricultural implement industry, the assertions of the implement manufacturers themselves, and the assertions of representative men in the ranks of the opposition, prove conclusively that this industry is quite capable of standing upon its own feet; and we have adopted our policy after taking these conditions fully into consideration.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

THE NORTHERN LIFE ASSURANCE COMPANY OF CANADA

Mr. G. N. GORDON (West Peterborough) moved:

That the order of the House for consideration in committee of Bill No. 36, respecting the Northern Life Assurance Company of Canada, be discharged, and that the bill be referred back to the Banking and Commerce committee for further consideration.

[Mr. McMurray.]

Mr. SPEAKER: This is due to a slight error in the report from the committee the other day.

Motion agreed to.

THE TRAVELLERS' LIFE ASSURANCE COMPANY OF CANADA

The House in committee on Bill No. 8, to change the name of the Travellers' Life Assurance Company of Canada to "Montreal Life Insurance Company."—Mr. Jacobs.—Mr. Gordon in the chair.

On section 1—Name changed.

Mr. MEIGHEN: May I ask what is the idea of this change? I would think it rather serious to change the name of an important company. What is the purpose of it?

Mr. GRAHAM: I am not sure that I can tell my hon. friend. I was for years the president of that company, and negotiations had taken place between the Travellers' Life Assurance Company of Canada and the Travellers' Life of Hartford to have the name of the former changed; in fact, suit was taken at one time when I was president, but I did not pay any attention to it because parliament was supreme and had given the company that name. It may be that they have come to some arrangement, although I am just speaking from what I have in my mind, whereby the name of the Travellers' Life should be changed and another name assumed so as to avoid confusion.

Section agreed to.

Bill reported.

On motion for the third reading of the Bill:

Mr. CALDWELL: I feel that I was wrong in not registering a protest when this bill was in committee.

Mr. GAUVREAU: You are too late.

Mr. CALDWELL: I do not know whether this is one of the life insurance companies that issues a special rate for travellers or not.

Mr. GRAHAM: It really has nothing to do with travellers although its name might indicate that it had. The company does a general life insurance business.

Mr. CALDWELL: At the same time I think we should have full information before the name of the company is changed. We should know whether the outstanding policies are going to be affected by this legislation and whether the obligations of the old company are going to be assumed by the new concern. I think we should have full infor-

mation in a case of this kind because it is a matter that affects the public pretty widely.

Mr. GAUVREAU: The committee has dealt with this bill.

Mr. SPEAKER: Is the motion carried or lost?

Some hon. MEMBERS: Aye.

Some hon. MEMBERS: Nay.

Mr. SPEAKER: I am of opinion the ayes have it. I declare the motion carried.

Motion agreed to and bill read the third time.

THE T. EATON GENERAL INSURANCE COMPANY

The House in committee on Bill No. 9, respecting The T. Eaton General Insurance Company.—Mr. Sheard.—Mr. Gordon in the chair.

On section 2—Limitation.

Mr. GRAHAM: I am not sure that it might not be a good thing if it were intimated that bills should stand if the member in charge was not present. That would perhaps secure us more information concerning these bills. Bills come before us of which the right hon. leader of the opposition, not being a member of the committee, has, of course, no knowledge. I have no knowledge of this bill myself, and as it is we have to take it on faith.

The CHAIRMAN: This has been reported from the committee.

Mr. GRAHAM: I am not objecting to the bill, but I am not sure that it would not be a good thing if intimation were given that the member in charge ought to be here so that we could ask questions in committee with the hope of getting an answer.

Section agreed to.

The CHAIRMAN: Shall the preamble carry?

Mr. MEIGHEN: I think that is a good place to stop. I thoroughly agree with the minister. I do not think there is very much common sense in going on with these bills if the only member who can explain them is not here.

The CHAIRMAN: The hon. member for South Toronto (Mr. Sheard) is here.

Mr. MEIGHEN: That was doubly applicable to the last bill. I do not see any reason in the last bill yet and I would like to know a little about these bills before they go through.

The CHAIRMAN: The bill has been reported by the Banking and Commerce committee, and, of course, it has to be read a third time.

Mr. MEIGHEN: I know that, but why is the bill before us? It is before us that we may give our consideration to it, and we cannot give any consideration to it if we have not the slightest notion what it is here for.

Mr. CALDWELL: I agree with the leader of the opposition. I think the bill that has just been reported is a very serious one, although I presume I am out of order in speaking about it now. I would ask that this bill be not reported until we can be given some information regarding it.

Mr. GAUVREAU: Let this one pass. It will be a warning to them next time.

Progress reported.

COMMERCIAL TRAVELLERS' MUTUAL INSURANCE SOCIETY

The House in committee on Bill No. 23, respecting the Commercial Travellers' Mutual Insurance Society.—Mr. Ryckman—Mr. Gordon in the chair.

On section 1—Incorporation.

Mr. CALDWELL: Mr. Chairman, other commercial travellers' insurance associations carry a special kind of insurance. I have had that insurance myself for years past. You get a special rate on account of your occupation but it is only given by certain companies. If any change is contemplated in this bill we should have full information as to what is proposed before it is passed.

Progress reported.

SECOND READINGS

Bill No. 67, for the relief of Rilla May Freeman—Mr. Gordon.

Bill No 68, for the relief of Jessie Maria Watchorn—Mr. Rankin.

Bill No. 69, for the relief of Walter Scott Miller—Mr. Logan.

Bill No. 70, for the relief of Harriet Bertha Wiser—Mr. Rankin.

Bill No. 71, for the relief of Esther Mary Edwards St. George—Mr. Chew.

Bill No. 72, for the relief of Mabel Peters—Mr. Stewart (Leeds).

Bill No. 73, for the relief of William Thomas Trott—Mr. Stewart (Leeds).

Bill No. 74, for the relief of Lucy Elizabeth Smith—Mr. Carruthers.

Bill No. 75, for the relief of Florence Luella Patterson Kelly—Mr. Ross (Kingston).

Bill No. 76, for the relief of Arthur Harold Mingay—Mr. Rankin.

Bill No. 77, for the relief of Isabella Guild —Mr. Hudson.

Bill No. 78, for the relief of Albert Lawrence—Mr. Harris.

THE BUDGET

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

Mr. McMURRAY: During the course of my remarks this afternoon, possibly at the risk of being exceedingly wearisome to the House, I produced a considerable quantity of figures which I assert substantiate the proposition that high protection, as established under the National Policy by Sir John A. Macdonald, was not a national policy at all, as it was confined to a very small area of the Dominion of Canada, practically to the province of Ontario and a small portion of the province of Quebec, and had not considered the great Canadian West, and had nothing to offer to the Maritime provinces. I maintain that those figures prove that that policy failed lamentably to advance our trade, that it failed to hold our population, that our people went by the thousands and hundreds of thousands to the United States, that during that time prices had fallen, that the National Policy was incapable of supplying the labouring men with work, that it absolutely failed, as it must do, to provide a home market in a country of vast natural resources such as Canada possesses, and that it was not fair to the farmer, consumer or the working man. I endeavoured further to prove, in dealing with the facts and figures of the 15 years of the Liberal regime under Sir Wilfrid Laurier, that Canada had advanced with wonderful rapidity, had become known to the world as a great exporting and trading nation by reason of the well-founded and active immigration policy introduced by Sir Clifford Sifton, that the National Policy was incapable of setting or developing western Canada, that the prosperity that existed and the success achieved in manufacturing in eastern Canada during that time were due largely to the fact that an aggressive policy of immigration had developed a home market for the manufacturers, and that instead of, as my hon. friends the Conservatives argue, a market being required for the agriculturists and those producing natural resources, what is really required is a home market for those who must manufacture.

I further asserted, and still assert, that the Conservative party have never been sincere in their protestations of a desire to obtain reciprocity with the United States. It is true that their outstanding leaders have asserted in the past that reciprocity was their aim and that they should endeavour to procure it at the earliest possible moment; but in 1911, when the field was open, and the Americans had a reciprocity treaty on their statute book, our friends showed their true colours and rejected reciprocity. I claim, Sir, that reciprocity would be a good thing for Canada. Following the dark and dismal days immediately preceding the year 1854, the period from 1854 to 1865 was one of wonderful prosperity in the development of Canada's trade and production. I am fair enough in my argument to admit that there were certain exceptional circumstances to encourage the development of the great natural resources of Canada at that time. There were the Russian and American wars, but still in spite of that Canada had no such prosperity except such as she later enjoyed under the Laurier regime. It is interesting to have the figures before us, and I take the liberty of placing them upon Hansard. To show how great an extent Canada's export trade with the United States increased under free trade—1854 to 1866—I give the following figures:

Article	1854	1865	Percentage of increase
	$	$	
Lumber	753,000	4,887,000	550 per cent.
Live Stock	73,000	5,503,000	Over 75 times as much.
Flour	1,792,000	2,970 000	65 per cent.
Barley	55,000	4,093,000	Over 70 times as much.
Oats	37,000	2,216,000	60 times as much.
Fish and fish products	1,004,000	2,213,384	120 per cent.
Coal (chiefly from Pictou and Liverpool)	254,000	1,223,000	500 per cent.
Butter	126,000	668,000	430 per cent.
Wool	69,000	1,527,000	Over 22 times as much.
Hides and skins	34,000	228,000	Over 6 times as much.
Furs and fur skins	13,900	214,000	Over 15 times as much.
Potatoes	88,000	147,380	Over 67 per cent.
Provisions	4,400	851,000	193 times as much.

In the face of that showing, because of the fear that artificially protected interests always have of any attack which might be made upon them, the manufacturers of Canada and the Conservative party turned down reciprocity. In the face of those facts every person conversant with Canadian affairs will realize that, with reciprocity in force, the result would have been tremendous in the development of trade and the progress of Canada.

I have always endeavoured to prove that our manufacturers, if they had the courage, are quite capable of going out and competing with the Americans across the border, or as a matter of fact, with all the other countries of the world. I may say that we shipped out of this country into the United States a considerable quantity of manufactured articles. In 1910 the manufacturers of agricultural implements in Canada were shipping $86,000 worth of goods to the United States. At the same time they were shipping to the other countries of the world nearly $5,000,000 worth. It was at that time my right hon. friend, the leader of the opposition made his argument in this House that by reason of the big export trade with these other countries, the factories of Canada were quite capable of standing on their own feet with a small protection because they were able to go out into the world and compete. The farmers of Canada were paying for protection to the consumers of another country. If that be true in 1910, with $5,000,000 of an export trade, it is doubly true to-day when they export over $812,000 to the United States and $9,339,519 to other parts of the world. That clearly proves that they are quite capable of standing on their own feet, if the argument of the leader of the opposition was good in 1910, and we in the West are absolutely sure that it was a sound and reasonable argument at that time.

There are within our country many manufacturers who can stand on their feet without any protection at all; for instance, the great pulp and wood industry, the paper manufacturing industry, the flour industry, with our splendid electric power and in a country that produces a vast quantity of cheap food. There is no reason whatever why this country cannot compete successfully with the United States. I have before me a list of statistics dealing with the manufacturers of Canada. In 1922-23 we exported to the United States $248,988,128 worth of manufactured and semi-manufactured goods from Canada. The particularly interesting thing about this from the point of view of my argument is that fully or chiefly manufactured goods to the amount of $135,521,437 were manufactured in Canada and shipped by Canada to the United States.

During last summer we had the interesting experience of having the leader of the opposition come to western Canada and we are particularly proud of him in that western country. We look upon him as one of our own there. He was with us for a long time and after 1910 when he made that speech on "The ramparts of gold and the Chinese wall," we were quite prepared to take him to the bosom of the West as one of our own. He came to the West this year. Conditions were bad and he told us that they were very bad in all parts of Canada. The picture that he painted to us was a gloomy one, and then he prescribed a remedy. The Conservative party is a real, genuine Conservative party in its remedies. It is like the old time doctor who had but one remedy which was to bleed; bleed the patient on all occasions. When our good friend the leader of the opposition came to western Canada this year, he prescribed for our ills his one and only remedy, the remedy of the Conservative party, the remedy of Macdonald, Foster and the leader of the opposition. He told our farmers and the people generally in western Canada that they wanted high protection.

Mr. MEIGHEN: Will the hon. member be good enough to quote where I said that? He has been talking at random for a long while, and it is about time I checked him.

Mr. McMURRAY: I had it currently from the newspapers. I did not have the honour of going to hear my right hon. friend.

Mr. MEIGHEN: I will take the chance of saying that my hon. friend never read that in a report in any paper of any speech I made.

Mr. McMURRAY: The right hon. gentleman will have to give me credit; I may have misread him. I naturally thought that would be his argument. I knew it was not his argument in 1910. He was then a western man; but since then a great deal of water has flowed under the bridge and my right hon. friend has grown closer to those in the Conservative party. I have heard a great deal of high protection talk during this debate, and I presume it is in keeping with the right hon. gentleman's opinions on that question. At any rate, it seemed to produce a feeling like a cold breeze throughout the prairies. It seemed as if the wind had swung away north over the Hudson bay again. The farmers put their overcoats on and turned up their collars. He had with him on that occasion the great Sachem, Ferguson, from the dominant province of Ontario, and he evidently talked high pro-

tection. He was going to benefit the good old province of Ontario by having them consume the coal of Alberta. It did not matter if that coal was going to cost them three or four dollars more a ton, it was to be hauled over all the distance from Alberta to Ontario and laid down there at a high price. That was honesty; that was real, genuine protection; but I feel that the people of Ontario would not welcome the application of that form of protection which we have enjoyed in western Canada for so long.

The people of western Canada, as I alleged this afternoon, have received no benefit whatever from the National Policy. The home market has not been able to take a fraction of what they produce. This is the proof that the home market has not succeeded. In the days of the McKinley tariff, disaster fell upon Canada. There was no market for the farmers' products. The home market had not developed. When the Fordney tariff was imposed upon cattle, that industry perished in western Canada. There was no home market for it. Our capacity to produce from our great natural resources is so tremendous that a home market idea is something of a terrible joke. So it is that the people of the West in regard to many of these industries feel that they are like Sinbad the Sailor. The old man of the sea is on their backs; they have carried him a long while; he has booted them in the ribs, and they will be glad to be relieved of that burden.

What is to be the future development of our western country? Sometimes my hon. friends of the Conservative party, in a moment of forgetfulness, state their true thoughts upon this question. I have before me the smiling face of the hon. member for Centre Vancouver (Mr. Stevens). In the Listening Post in April, he is dealing with conditions in western Canada and I read with marked interest his very able statement. I considered it able, because we always think anything is sound and solid that agrees with our own views. He was talking of that magnificent city of Vancouver and the fine province of British Columbia. The article is headed "The Outlook for the Pacific," and the hon. member modestly stated:

> During the year 1923, there has been exported by deep-sea shipping from British Columbia 550,000,000 feet of lumber which is approximately double that of last year, and about ten times what it was eight years ago.

In addition to this, he says, it is evident that large quantities have been exported by rail to the United States and eastern Canada. He says that there has been exported through the port of Vancouver between September 1 and March 1 29,429,000 bushels of wheat. I believe it has now gone up to something like 42,000,000 bushels. Of that 29,000,000 bushels, he says that 20,000,000 went to the United Kingdom and about 9,000,000 to the Orient, while for the month of March there were charters for 47 deep sea ships to convey 7,000,000 bushels to the United Kingdom and 2,900,000 bushels to the Orient. Then he speaks of the export of canned salmon, and refers to the growth of business by export through the port of Vancouver. The hon. gentleman then closes his statement with these remarks:

> I am firmly of the opinion that the development of trade through the Pacific portals of this great Dominion will perhaps be the largest contributing factor in Canada's progress in this decade.

What did the hon. gentleman see there? Did he see anything resulting from the National Policy? No. He saw the development of the prairie provinces and of British Columbia by means of a great immigration policy; and I am glad to say that at the present time in western Canada immigrants of a very fine type are pouring into the country from all the nations of Europe whose people came to Canada years ago to open up that part of the country and develop it. To-day the streets of Winnipeg are assuming something of the appearance they had some ten or twelve years ago when these sturdy Canadians were coming in to develop our natural resources. Possibly it was this that the hon. member had in mind in the statements he made. He saw the grain pouring down from the prairies, the coal of Alberta and the lumber of British Columbia being shipped, without the aid of high protection, and all going to develop the Pacific port.

I believe, Sir, that the next fifty years will see a marvellous change in the development of this North American continent. It was natural that those who came from Europe should have settled along the Atlantic coast and in the vicinity of the inland lakes and the rivers. But in view of the great change which is coming over Europe to-day, the countries of which are impoverished as a result of the war, I believe that the next fifty or, at any rate, hundred years will see a tremendous trans-Pacific trade built up with Japan, India, China and Australia, and then the west coast will see the building of great cities which will be the making of Canada, inasmuch as they will create in our own country a competition in trade between the Pacific and the Atlantic. In my opinion the most desirable thing for this Dominion to-day is to continue that immigration policy which is bringing to the country vast numbers of

European people. There are in western Canada 140,000,000 acres of arable land, and with some proper policy of colonization these lands could be put under cultivation so as to produce in Canada the home market which the manufacturers need.

As I said at the outset, I believe that the present budget is a step in the right direction; it is an endeavour to reduce the cost of living in the country and encourage the development of its great natural industries, namely, farming, mining, lumbering and fishing. The only stability which manufacturing possibly can have must consist in cheap manufacturing conditions; without those conditions no sort of artificial barrier will protect these concerns. But with a tariff similar to this that we are considering to-night we may hope to have the manufacturing industry established in this country upon a substantial and natural basis. Coupled with that there should be, in my opinion, a keen searching-out of all sorts of trade with the various countries of the world. I was greatly taken with the address of the hon. member for Cumberland (Mr. Logan) some time ago dealing with the possibilities of trade with the West Indies, and I do not think we can over-emphasize the importance of looking to other countries than those of Europe for an outlet for our vast natural resources. With that, despite the heavy burdens we have, I am satisfied that there is a bright future for this Dominion.

There are some figures which I desire to put on record in Hansard before I conclude. Our Conservative friends have gone about throughout the land telling of the deplorable conditions that exist in this country, but the figures I am now going to submit to the House have something of a ring in them which I think must be gratifying to all Canadians. First of all, in regard to immigration, let me point out that in 1921 there came to this country a total of 100,413 immigrants from Great Britain, the United States and other countries; in 1922 from the same sources we had 70,423, and in 1923, 134,096. This year the increase, I believe, will be considerable. As regards our field crops, Canada's harvest last year reached a total value of $899,166,200. And the mineral production of the Dominion for the year 1923 aggregated $214,019,832, which is 16.1 per cent over that of 1922 and 24.1 per cent over 1921. The figures in connection with our forestry show that for the last 12 months of the fiscal year 1923-24, ending February 1924, the exports of wood and paper amounted to $270,346,000 as compared with $221,592,000 in the previous 12 months, and $182,207,000 in the 12 months ending February 1922.

Coming now to our external trade, I may tell the House that there has been a rapid increase. For the 12 months ending February 1924 our exports amounted to $1,042,724,670 and our imports $898,338,916. Our exports for the 12 months ending February 1923 amounted to $928,356,656 and our imports $790,032,342; while for the 12 months ending February 1922 our exports amounted to $762,547,390 and our imports $761,026,261, showing a trade balance running strongly in our favour. The exports to Great Britain increased in the 2 years from $293,666,295 to $355,838,316; while the exports to Australia increased from $11,314,906 in 1922 to $20,401,275 in 1924. Our exports to New Zealand increased during the same time from $4,584,349 to $12,541,405. And as for the United States, both exports and imports show a rapid increase, although the former show the greater absolute as well as greater relative increase, the excess of exports in 1922 being $222,905,433. as against $177,580,418 in 1921, or an improvement of $45,000,000 in two years. This is directly reflected in the improved position of the Canadian dollar. In 1920 it required 112.27 cents to purchase an American dollar; in 1921, 111.61 cents; and in 1923 only 101.97 cents. Our railway passenger traffic in 1923 was 9 per cent greater than in 1922, and the freight traffic last year was the greatest on record. The revenue increased by $28,667,000. Our latest information is that for the first two months of 1924—usually the dullest of the year—the net earnings of the Canadian National Railways were $262,376, as compared with a net deficit of $3,270,052 in the same two months of 1923, or an improvement of $3,532,428. There has been a decrease also in the public debt of over $15,000,000. These figures show the present comparatively satisfactory condition of the country despite our heavy debt and the post-war conditions which we are passing through.

I agree with the hon. member for Vancouver Centre (Mr. Stevens) that Canada has a great future. And I share the desires of the people of Alberta and British Columbia for the reduction of the mountain scale of freight rates. I believe such a reduction is in their interest and that they are entitled to it, and that it would set up a healthy competition which would be beneficial to all the western provinces.

During the course of my remarks this afternoon the right hon. leader of the opposition asked me to explain my attitude in re

gard to protecting artificial silk. I have looked up the item. I find that a certain measure of protection is granted to artificial silk. It has never been contrary to Liberal policy, either in theory or practice, to encourage by protection, for a brief period of time, the establishment of any manufacturing industry for which there is reasonable ground to believe that it may be successfully developed. Two years ago I supported the bill to encourage our hemp industry, my reason for doing so being that it was necessary to assist the establishment of an industry that promised to be successful. In Manitoba we produce the finest raw material for such an industry, we have any amount of electrical power and a very large home market. The only factor lacking to the successful establishment of the hemp industry was protection to overcome a large combine in the United States. And so it is with artificial silk. I understand it is made from wood fibre.

Mr. MEIGHEN: Was the hon. gentleman in the House when his colleague the Minister of the Interior (Mr. Stewart) stated that protection was a mistake from the beginning?

Mr. McMURRAY: Let me tell my right hon. friend that I cannot agree with the arguments of all the gentlemen on the other side, in fact their arguments are very weak. And at times there are differences of opinion within the Liberal party on the philosophic attitude to be adopted upon the question of protection.

Mr. MEIGHEN: Philosophic!

Mr. McMURRAY: My hon. friend the Minister of the Interior may have his own private views upon the subject; but what I have asserted is, I think, correct, and I can find authority for it by referring to some of the most eminent political economists. For instance, John Stuart Mill, who has been quoted before in this debate, has declared that it is reasonable and proper to encourage an industry which has good prospects of success. I believe that is the view of the right hon. gentleman himself; he stated it in 1910 in that famous western speech of his in much better form than I would be capable of expressing it. With our cheap power, our energetic people, our ample timber resources, I see no reason why the artificial silk industry should not be a success in this country, provided it is not handicapped by those protectionist elements that work so grievously against a legitimate industry being established. We have had before us from time to time deputations protesting against the reduction of the tariff upon certain manufactured goods, and always the burden of their arguments is that if they were not handicapped by the duty on their raw materials—which were in turn the manufactured product of other concerns enjoying protection—they could and would stand up against any reasonable competition. That is the curse of protection, that it results in the development of gigantic corporations well capable of looking after themselves, and along with them a crowd of helpless cripples economically.

In conclusion, Mr. Speaker, I have great pleasure in announcing my entire concurrence in the budget, which I look forward to as likely to be productive of substantial relief to our great basic industries and to be non-injurious to our manufacturing interests, whom I would not want to see adversely affected in any degree whatever. Not only do I think that our great basic industries will be benefited in large measure, but I am also confident that the great consuming public will be afforded substantial relief.

Mr. J. J. THURSTON (Victoria, Ont.): Mr. Speaker, just to relieve the suspense that possibly prevails throughout the chamber, I beg to announce at the outset that I am not in the Marathon class. I rise to take part in this debate mainly for the purpose of correcting an impression that apparently exists in the minds of some hon. members, and also in the minds of some of our citizens, an impression that has been created during the course of this debate, mainly by members of the Conservative group, who would lead the country to believe that the majority of the electors of Ontario and of their representatives in this House are protectionists. I would inform the House that Toronto, Hamilton and a few other of our industrial cities do not constitute the whole province. For divers reasons we are changing our opinions in Ontario in connection with the tariff and are gradually seeing the light of day. We welcome the opportunity that our Conservative friends promise to give us in the next general election of fighting it on the straight tariff issue of protection versus free trade or tariff for revenue. We will be glad to meet them on that issue, as we were glad to meet them on it in the election of 1921, when I think the change in tariff sentiment in Ontario was demonstrated by the return of twenty-odd members to this House in favour of free trade. After the next general election we are going to double our numbers on the same issue. For different reasons possibly we look upon

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the question of the tariff to-day differently from what we did in 1911. Since 1911 the people of Ontario have studied the economic question and the tariff question and they have been forced to the conclusion that a tariff for protection is morally, socially and economically unsound, and the old cry of losing or gaining the home market will have very little effect to-day in Ontario.

I wish to join now with hon. members who have preceded me in complimenting the Acting Minister of Finance (Mr. Robb) on his presentation of the budget this year. In reading over the debates for a number of years past it seems to have been customary for hon. members to always compliment the Minister of Finance of the day on his budget presentation, but I feel that in this case there is an element of sincerity in the congratulations that did not prevail to the same extent in days gone by, and mainly for the reason that the Acting Minister of Finance has brought down a budget that clearly defines the line between protection and a tariff for revenue. The budget was also welcomed throughout the Dominion as no previous budget has been for other reasons, and one was that a good many loyal Liberals throughout Canada from the Atlantic to the Pacific had reached the point of being discouraged and of almost wanting confidence in the Liberal party that had been elected for years on a tariff for revenue or a low tariff cry, and which after it had been returned did not touch the tariff at all except to juggle with it; it did not lower the tariff. And so unless the government brings in further resolutions, a second budget which is often brought down to the House, dealing with the anti-dumping law and the pricing of articles entering this country, which comes under the same law, and in that way offsets the good effect the budget is otherwise bound to have upon the basic industries of this Dominion, the staunch Liberals throughout this country will offer their congratulations to the Acting Minister of Finance with a degree of sincerity that they did not feel in the past.

In connection with the lowering of duties on different lines of manufacture, I should like to take this opportunity of issuing a note of warning to some manufacturing firms in this country. We have been told by a good many, mainly by hon. members in the Conservative group and by Conservative members in the Liberal group that many, many manufacturing firms would be forced out of business and be compelled to close up if there was any reduction in the tariff. Now, I purchase farm implements and machinery of different kinds, as all agriculturists do throughout the Dominion and when I am considering a purchase and looking over different machinery I always consider that the day will come when I shall probably need repair parts for those machines, and I always ask myself whether the firm manufacturing those implements is on a good sound business footing and likely to stay in business so that I can get spare parts if I should need them; and if I were to see a statement from the Massey-Harris firm that they were going to be forced out of business by this reduction in the tariff I would immediately cease buying Massey Harris implements. So if these manufacturing firms do not want to deal a death blow to themselves they had better steer clear of this "blue ruin" cry over any monkeying with the tariff, because it will act as a club against themselves more than anything else that I can think of at the present moment.

I was a little surprised this afternoon to hear the hon. member for Kingston (Mr. Ross) undertake to tell the farmers of the West just why it was they were in such hard economic circumstances at the present time. It was due, he said, to their careless methods of farming. I wondered as I listened to him, is it not possible that our manufacturing friends, who are putting up the same cry of hard times to-day that the farmers were a year ago, are careless in their manufacturing methods? I think the argument would work both ways. Now as I promised the House, I am not in the Marathon class, and I am not going to say anything more on the tariff except to promise our protectionist friends that when the opportunity does come to the people of Ontario to declare themselves upon the question of protection or a tariff for revenue, we shall be there with the goods.

I want to take up now two questions that are of a local nature, and I suppose if I had followed the custom of most hon. members in this House I would have mentioned these matters upon my first appearance in the House after the election of 1921. In the constituency of Victoria and Haliburton from which I come, we have contributed our allotment to the national menagerie of the Dominion of Canada in the form of white elephants. We have running all the way across my constituency the Trent canal. We can thank both the old parties for that animal. Some have criticized the expenditure on the Trent canal, and I think it deserves all the criticism that anybody can give. The canal should never have been constructed, but the fact remains that it is constructed. We have thrown money into it, and we cannot sell it.

We would get rid of it if we could; we would carry it down into lake Ontario if possible. But there it is, and it is up to the government to make the best use of the canal possible, in order to increase any revenue that can be derived from it. Now the only thing the Trent canal is useful for, to my mind, is tourist traffic. For some years back governments have neglected making the slight improvements on the canal that might encourage tourists to come to that section of the country. Now that we have spent millions of dollars on the Trent canal, the only way we can get anything out of it is to bring summer visitors there from other countries and so get the benefit of the money they will spend in our country, and I think it is only wise on the part of any government to remember the expenditure that has been made and to make the slight improvements necessary. An hon. member asks me if it is worth seeing. Yes, visitors will not only see the canal, but as picturesque a country as it is possible for summer visitors to see, through North Victoria and Haliburton and possibly Muskoka; the scenery will well repay a visit.

We also have another beast in the shape of the Dominion arsenal at Lindsay.

Miss MACPHAIL: A real monster, that is.

Mr. THURSTON: Parasite might be the proper name. This is an expenditure for which there is absolutely no justification, it should never have been made. I do not know why the building was constructed. I suppose it is simply another example of the wild expenditures that were made during the years of the war. Some people may be under the impression that the construction of the arsenal in Lindsay was a boost to that town. That is not so. Previous to its construction the government of the day agreed with the municipal corporation of Lindsay that if they would carry out certain improvements the arsenal when built would run continuously and employ from 200 to 250 hands. As a result of that promise the town of Lindsay spent practically $77,000 in constructing pavements, laying water mains, and making other improvements. Immediately after the expenditure of that money the arsenal was closed down and has not been opened since, and now the town is out the money that it expended. Discussing the matter with the town council last year, they said that making the greatest allowance they could for the growth of the town from the time the arsenal was built until then the cost to the town through the arsenal being there was $45,000. In the meantime the people have been taxed for the interest payable on the balance of the $77,000. I should like to recommend to the government that if any opportunity arises for disposing of the arsenal they should take advantage of it. Of course it is unfair for the present government to assume a burden that was left on their doorstep by the previous administration. Nevertheless, I would urge them, if the opportunity ever arises, to dispose of the arsenal to some manufacturing firm, because it is of no use whatever in its present form to the town of Lindsay. It has involved an expenditure of several millions of dollars and will cost a great deal of money to keep it in repair, it has never yielded a single dollar af revenue to the Dominion treasury. Not a dollar's worth of ammunition, the product of that arsenal, has ever been shipped out of Canada. It has been of no use whatever to the Dominion, and is a white elephant to the town of Lindsay. In all fairness to the town if the slightest opportunity of disposing of the arsenal to some manufacturing firm presents itself I advise the government to seize it.

Mr. HALBERT: Is there any expenditure at present for caretakers?

Mr. THURSTON: There are three or four caretakers, and I suppose these will continue to be employed while the building remains as it is.

Now, Mr. Speaker, I have occupied a seat in this chamber for two sessions and part of a third. During that time I have not spoken but have taken every opportunity of sizing up the respective parties represented here. I have one advantage, perhaps, over older members of having had no previous political ties. For this reason I have been able to view the actions of the respective parties in the House from an impartial standpoint, and should now like to give a short summary of my conclusions as to their characteristics. The government party naturally comes first. Until the presentation of the present budget I must say that I was greatly disappointed in the record of what we had been taught to believe was "the grand old Liberal party". They were supposed to represent a party from whom much might be expected; but during the last two sessions I was convinced that if they were standing anywhere at all they were pretty nearly standing on their uppers. They were shuffling first in one way, and then in the other direction, and it seemed that they would accomplish little. Now I must say they show strong indications that they are going to do something. That is, unless they weaken by not rescinding the order in council with respect to the dumping regulations passed before the bud-

get was brought down. I repeat that the government show indications of proving to the Liberals throughout the Dominion that they have some slight intentions of fulfilling the expectations of those who have consistently voted for them year after year.

The Conservatives, the official opposition, must be considered next. I have been greatly disappointed in hon. gentlemen to my left who, I believe, are termed "His Majesty's loyal opposition." To live up to that title they should at some time or other be prepared with constructive suggestions for the better governing of the Dominion, but apparently they think differently. During the time I have sat in this chamber I have not heard any suggestion of a constructive nature from the Conservative party. At the present time I think they are fully entitled to the honour—I suppose they will look upon it as such—of being the opponents of the Canadian National Railways. Their attitude towards the programme of branch line railways brought down by the Minister of Railways has convinced me that for some reason or other they are no longer favourable to the Canadian National Railways as they appeared to be when I first entered parliament, but are now the opponents of Sir Henry Thornton and his board of directors. It is a regrettable position for any political body to take, because if there is any one person in Canada who is making good to-day it is Sir Henry Thornton, and in the fight he is waging he deserves the moral support of every true Canadian citizen. I think too that I am justified in giving the Conservative party a monopoly in the matter of calamity howling and raising the blue ruin cry. We have heard more from them along these lines this session than we ever heard from the famous "notorious Alberta representatives" a year ago.

I should like to speak for a minute or two on the subject of the amendment. I am sorry that in the matter of amendments to the budget we are limited by the rules that have been handed down to us for generations back. For some reason or other the rule in the past has been that any amendment to the budget, whether it be similar to or contrary to the principles expressed in the budget, was a vote of want of confidence in the government. This session an amendment has been submitted by the hon. member for Centre Winnipeg (Mr. Woodsworth) which, in subject matter is quite similar to the budget itself; and I think the rule should be changed so that when an amendment similar in subject matter and in principle to the budget is moved, the government would be at liberty to adopt some of the clauses of the amendment. I do not see the sense of submitting an amendment at all, if a vote for the amendment is a vote of want of confidence in the government, no matter what we vote for. If that is the way the vote is to be taken, why all this discussion in introducing an amendment of any kind to the budget? Why not let it go without an amendment and vote yes or no on the budget? That is what the vote means anyway. I would like to see the rules changed so that the government could accept, as an addition to the budget, certain clauses contained in the amendment, or the whole amendment if necessary. If the rules were framed to permit that, I think we would be getting down to the true principles of democracy in allowing the will of parliament to be expressed and accepted by the government.

I propose to reserve my decision as to how I am going to vote on the budget and on the amendment.

Mr. EMMANUEL d'ANJOU (Rimouski) (Translation): Mr. Speaker, on behalf of the electors whom I have the honour to represent in this House, and the great majority of whom are worthy and hardy tillers of the soil, I extend to the government and its able Acting Minister of Finance (Mr. Robb) my sincerest thanks and congratulations for having found it possible to present this year, to the country such a praiseworthy budget. After having taken over, in 1921, the administration of the country, which was in such a deplorable financial situation, the government had to display a great deal of fortitude, energy and wisdom to attain such a result. Therefore, it is not astonishing that throughout the whole of Canada this splendid budget was received with praise and satisfaction by all classes of society. The farmers, especially, have reasons to be gratified for what the Liberal government have done for them, and the consumer has the same reasons to rejoice, owing to the fact that the present budget considerably decreases the cost of living. It is, therefore, the great mass of the people who will largely benefit from the benevolent policy of our government. The only element of our population who find fault with the wise policy of the government is the one that has always lived upon and enriched itself through the hardships and toil of our farmers and workmen. The big interests, the magnates of the financial world, the mergers and the trusts, these are the enemies of tariff reduction and

measures of relief on behalf of the farmers and workmen. They already see, with fear, their excessive and sometimes scandalous profits decreasing considerably, and they are conceited enough to think that they are the only ones in this country who are entitled to all privileges, thereby denying to others the very legitimate share of justice to which they are equally entitled.

The government will have well earned the thanks of the country, by championing the interests of the people against the privileged classes. The country has been imposed upon far too long a time by the capitalists. The farming industry, which is the basis of the prosperity of all nations, is granted to-day, by a Liberal government, not special favours, but simply justice. And all true friends of the farming class must rejoice with me and sincerely congratulate the government on such an act.

The lowering of duties on farm implements will turn to the great advantage of our farmers, since it will allow them to purchase at lower cost the necessary farm implements and thereby highly contribute to better, in general, the conditions of the agricultural class.

The first duty of all governments, conscious of their responsibilities is to energetically work in unburdening the tireless tillers who, after all, make up the great mass of consumers and producers. Thus, as the first result of tariff reductions on agricultural implements, the farmer, when purchasing these articles will pay five, ten or twenty dollars less for each and will, thereby, be that much in pocket. Certainly, this is something tangible and appreciable and, no doubt, our worthy farmers will return thanks to the government when the time comes. Whatever may be held to the contrary, the government by lowering the duties on farm implements was inspired by the old Liberal tradition. During the present debate, many hon. members who spoke before me, tried to establish that the tariff policy of the government was not that of the late lamented leader of the Liberal party, Sir Wilfrid Laurier. The few lines which I shall read, Sir, with your kind permission, will prove, beyond doubt, that the Liberal government by reducing the duties on farm implements, followed in all points, Sir Wilfrid Laurier's policy and that they put into practice one of the most cherished wishes of the great deceased. Thus, in his manifesto to the people of Canada, in 1917, Sir Wilfrid Laurier said:

> Should the people entrust me with the administration of the country, I would make it a point to immediately unburden the farmer of all vexatious custom duties.
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> I would immediately abolish the duties on farm implements and other necessities with reference to farming as requested by the western people. And I would consider as an essential duty of my administration a general and thorough revision of the tariff aiming at encouraging production in Canada and relieving the Canadian consumer.

The budget brought down by the hon. Acting Minister of Finance (Mr. Robb) is really a Liberal one and the government's policy is certainly in perfect harmony with the idea of the great Canadian who so much contributed to the welfare of his country and whose memory will always be cherished by all Canadians, whatever race or creed they may belong to.

If we wish Canada to attain its manhood, we should adopt a policy purely Canadian and help by all possible means, the great farming industry, the first of the national industries; for let us not forget it, our country is essentially agricultural, its future and welfare are entirely based on the progress and development of the farming industry. The crisis we are passing through is serious, very serious indeed, and no one will gainsay that the farmers are those who suffer the most. The United States tariff is so high that our farmers can no longer export their products to that country. This state of things obliges them to sell these products at ridiculously low prices and often at a loss. Nevertheless these worthy sons of the land have obtained these products from the soil, thanks to their unceasing labour and exertions; for, we must not forget, the farmer toils twelve to fifteen hours per day; the eight-hour day is an unknown thing. Consequently, he expects at least to sell his products at a remunerative price. The reduction of duties on farm implements will be of material help since it will allow him to purchase them at a lower price. It will enable him to produce cheaper than he could previously, and, therefore, realize a larger profit on his products. When agriculture is prosperous, the country is prosperous. Therefore, the government will never be too generous towards the worthy farming class, who deserve on more than one score the support and self-sacrifice of all those who love their country and wish its greatness and prosperity.

The balancing of our budget, the surplus of $30,409,000 in our revenue over expenditure shows conclusively the efficiency of the present Liberal administration. This happy state of affairs allows the government to reduce considerably the various taxes which weigh so heavily upon the Canadian people. The reduction and doing away with certain taxes, as well as some changes made to the

tariff, will contribute in a large measure, to the lowering of the cost of living, and consequently will be to the advantage of the consumer.

Since the outset of the debate on the budget, a great number of hon. members have spoken; very few, however, have seriously touched upon the so important problem of immigration and the exodus of our people to the United States. Yet, in my opinion, the subject is of the utmost importance to Canada, the future of our dear country depends on its immediate and right solution. In the speech which I delivered on March 10, last, on the Address in reply to the Speech from the Throne, I discussed this very important question of immigration and exodus of our people to the United States. Realizing more than ever the importance of the subject, I wish to broach it again to-day, and endeavour to discuss the problem more thoroughly than I did on March 10, last. I would, first, advise the government to entirely discontinue their immigration policy, at least for several years. We have no place in Canada for these immigrants gathered at great expense on the docks of London and Liverpool. Certainly, it is not with that kind of immigration that we shall make Canada a healthy, moral and strong nation. And, while these undesirable immigrants reach our shores by ship-loads, a very sad sight meets our eyes. It is an uninterrupted trek of our people—these sons of the soil—towards the neighbouring republic, in the hope of finding there, the comfort and easy circumstances that their country denies them.

I again state, the problem of the exodus of our people to the United States is saddening, painful, even discouraging. In my opinion, the best policy to adopt would be to use all the means and resources that Providence has been kind enough to endow our country with, so as to keep our people at home. The money spent each year for immigration could be given in grants of all kinds, to those of our people, farmers or settlers, who, in a moment of discouragement might feel inclined to abandon the land of their forefathers. Our country is immensely rich in farming land, which only awaits the labour of vigorous and worthy settlers to produce the golden wheat which feeds the world.

How many of those who emigrate each year, sick at heart, would gladly accept the grant of a parcel of land and settle there immediately, with the firm resolve to establish for themselves a homestead and contribute their share to the welfare of the country. Moreover, why should the government not help them at the outset, which is always hard for these good settlers, by loans on as easy conditions as possible. The establishment of an agricultural loan institution would be a great blessing for our farmers and settlers. I would suggest to the government to take the initiative regarding such a step. They would be carrying out a truly national and patriotic duty, and greatly helping to stop this exodus of our people to other lands.

To my mind, one of the main causes of this exodus is the Bankruptcy Act. This act should be unsparingly struck off our Dominion statutes. This law has been the ruin of a great number of our farmers. It has completely destroyed the farmer's ability to get credit, owing to the fact that it prevents our farmer from obtaining the money which he needs to settle his affairs, even at a high rate of interest, because he cannot give the required guarantees demanded by those who are willing to make the loans. That is certainly, one of the main reasons of the desertion of our rural districts and the trekking of our people towards the United States.

Therefore, if we are sincere in our desire to stop the exodus of the sons of Canada to foreign lands, we must cut out immigration, help by all possible means our farmers and settlers, either by giving them lands, or by granting them a bonus as a means of encouragement. or still, by loaning them money under the most favourable conditions possible. Finally we must establish an agricultural loan institution and abolish for ever the Bankruptcy Act which has been so disastrous to our farmers and which has ruined so many of them. The repatriation of our people would be an excellent thing if it was possible of accomplishment. For my part, I maintain that it will always be easier to keep our people at home, if we take the necessary means, than to repatriate those who have departed, and, to give weight to my statement, I shall read an extract from an editorial published recently in the Tribune, of Woonsocket, R.I., and reproduced lately by Le Droit of Ottawa:

> There seems still to exist, in Canada, the hope of repatriating the French-Americans. This is a dream that our brothers over there should try to dispel. We do not wish to impose our views, but we are free to think that they would be doing much better by concentrating their efforts on keeping those among them who have made up their minds to depart, by making life at home easier for them.
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> It would cause much merriment, if the French endeavoured to draw, to their country, the French-

Canadians who have settled on the banks of the St. Lawrence. The true, the only country of Canadians, is Canada.

The same may be said for the French-American. The more generations succeed to one another, the greater becomes the affection of the French-American for the United States. The true French-American also has but one country; the United States. "Ubi bene, ibi patria"!

After having read this editorial, we must necessarily conclude that the chances of repatriating our people are very slight.

Now, I wish to make a few remarks with regard to the question of railways. Under the able management of the present president, Sir Henry Thornton, the National Railways have continuously made progress. On the other hand, we must not decrease the deficits to the detriment of employees, either by reducing their salaries or by seriously handicapping them. In my county, the village of Mont Joli has been rather set back by a recent order given by the board of management of the National Railways. For over thirty-five years, Mont Joli has been recognized by the Intercolonial Railway as the home of its employees. Some time last summer, one of the principal officials of the National Railways published an order obliging the employees of this company, residing at Mont Joli, to go and live at Campbellton. You can fully understand, Sir, the situation of these employees who have built a house and made their home there for the last 35 or 40 years, and who are forced, to-day, in their advanced age, to leave their native village in order to reside in a strange city. All this to economize. I am not adverse to economy but Sir Henry Thornton should apply his economy somewhere else. Not only does this order, given by the authorities of the National Railways, affect 75 families of employees of Mont Joli, representing 400 to 500 inhabitants who disappear from that municipality and are forced to reside in Campbellton, not only are the employees themselves affected by the fact that their properties lose at least 50 per cent of their value, but it is the village itself which is threatened with ruin. And this is so much the case, that the church-wardens of the parish of Mont Joli had decided to build a church, plans had been prepared, and all this was set aside because the railway employees of Mont Joli are obliged to go and reside at Campbellton, and that such a change has on all scores, disastrous consequences on the population of Mont Joli. I would request the hon. Minister of Railways (Mr. Graham) to use his influence with the authorities, with Sir Henry Thornton, and have this order cancelled so that the employees may be allowed to have their residence at Mont Joli and receive the same salary as before while they are retained in Campbellton.

It may be quite proper to economize a few thousand dollars here and there, however, I think that, in the interest itself of the National Railways, this regulation should be abolished. And, moreover, it is not to economize a few thousand dollars that the future of an entire village should be sacrificed. I referred a few minutes ago to the emigration of our people to the United States. It would be encouraging this exodus to compromise the economic future of this prosperous village. I appeal to the hon. Minister of Railways and I beg of him to kindly point out to the board of management of the National Railways the injustice which has been done, so that it may be redressed as soon as possible and that the citizens of Mont Joli may further trust in the future of their municipality and rest assured that they may reside, live and die in their native village.

By the way, allow me to state, Sir, that Sir Henry Thornton appears to me very well disposed towards the province of Quebec and the French-Canadians, and I admire him for it. To-day, on all the National Railway trains, from Montreal to Halifax, thank Heaven, we have been able to obtain bilingual menus. I see no reason why all the employees of the National Railways, from the first to the last, should not be bilingual. Consequently, knowing the good disposition of Sir Henry Thornton, I beg the Minister of Railways, who also is favourable to the French language and the French-Canadians, to use his good offces with the president of our railways to request that in the future, on the Montreal and Halifax line, all employees be required to speak both languages. For, after all, who are the best clients of that section of the National Railways? It is the French-Canadians who are responsible for three-quarters of the revenue of this railway line. It would only be just that the employees be bilingual.

In the course of his speech on the budget, my worthy friend, the member for Temiscouata (Mr. Gauvreau) appealed to the Minister of Railways in order that, in the shortest delay possible, this session, a new pension fund be established in the interest of the employees.

I know in my own county a great number of old employees of the National Railways, these good people who have reared large families under difficult conditions and who, to-day, after having spent 35 to 40 years of

their life in the service of the Intercolonial, receive but the small pittance of $30 per month. Is this not ridiculous, when we know that pensions of six to seven thousand dollars per year are allowed to most of the justices of Canada, who, when in office receive salaries of nine or ten thousand dollars per year? As to the poor railway employee, he receives the small pittance of $30 per month. All this seems very ridiculous. Now, this pension was established for the railway employees; it is their money, after all; they are the ones who contributed so as to receive, later on, a reasonable pension, in order to live decently. It would be very unjust not to take an interest in the fate of these good and faithful servants of the state. Like my hon. friend, the member for Temiscouata, I appeal to the hon. Minister of Railways and I request of him to settle this question of pension as soon as possible.

Now, Sir, before closing my remarks, I have a little account to settle with the leader of the opposition. On March 10 last, in the speech I delivered on the Address in reply to the Speech from the Throne, I made, against the leader of the opposition, serious charges which he denied a little later, but which I maintain on all scores. I have not a word to retract. I never charged the leader of the opposition with having uttered speeches against the province of Quebec; I never stated that he had said, here and there, such and such a thing; but I had a right to draw my own conclusions of his actions, and the leader of the opposition's actions are more convincing than his speeches. When the leader of the opposition was a minister in the Borden cabinet, when he was Prime Minister of the country, perhaps he imagined that he was the Kaiser of Canada and that he could always govern without the help of the province of Quebec. Did he, then, take the trouble of coming to the province of Quebec to fawn upon our population; did he endeavour to learn a few French words so as to mutter them out in our colleges and convents? It is evident that he expected to remain in power the balance of his days. When Dr. Edwards and people of the same stamp attacked on the floor of the House, the province of Quebec and the French population, did the leader of the opposition rise to protest? No. He asked me to quote one word which he might have said against the province of Quebec. I again challenge him to tell me on what occasion he rose in this House, to defend the rights of the French Canadian race and of the province of Quebec. Let not the leader of the opposition think that he frightens me. Let him pay a visit to my county and I shall be there to face him. My electors know both of us. I know beforehand the opinions of the electors of Rimouski. They are fully aware that I have never lied to my electors or to the parliament of Canada. Now that this gentleman needs the province of Quebec so as to assume power, he is ready to come to our province to mutter a few French words, after having had us insulted. Did the leader of the opposition protest against the campaign of falsehoods, insults and slanders which was carried on against the province of Quebec, in the province of Ontario, in 1917, when they stuck poster after poster on fences to proclaim that a vote for Laurier was a vote for the Pope, and that we of the province of Quebec were slackers, and that the Conscription Act had been adopted to force us to go to the war. Did the leader of the opposition protest on that occasion? No. I shall not, Sir, add anything further. Should the leader of the opposition wish to visit my county, I am ready to face him and I shall leave it to my electors to judge whether he or I told the truth. I drew my conclusions from his actions, and, I again state a man is judged rather by his actions than by his words. Moreover, the leader of the opposition's actions are much more convincing than his words. Consequently, I further state that I have not a word to retract; I maintain all the charges that I brought against the leader of the opposition and I am ready to repeat them in my county or anywhere else he may choose.

Mr. SAMUEL CHARTERS (Peel): Mr. Speaker, since the delivery of the budget, very much has been said for and against the proposals of the Acting Minister of Finance (Mr. Robb). While there is the widest possible difference of opinion regarding the value or otherwise of the changes suggested, there is practical agreement that the government has, at last, decided to eliminate the element of protection from the tariff. The utterances of the ministers and their supporters during the last few days lead to no other conclusion. It was probably not the desire of the government that their action should be so interpreted, but the change is taking place probably because of circumstances over which they had no control. Today, once more, the tariff is definitely before the people, and it will be the issue in the election that must be fought in the next few months. On the one side of that contest will be those who believe in tariff for protection purposes, those who believe in pro-

tection that will protect, those who believe that Canada must work out her destiny in her own way. On the other side will be those who believe in free trade, or near free trade, regardless of the consequences of its adoption upon the future of the Dominion.

The situation which is thus created must be very satisfactory to the hon. member for Brome (Mr. McMaster) and his free trade associates. When last year he crossed the floor, he was very sternly rebuked by the Prime Minister (Mr. Mackenzie King) for forsaking, as he put it, the faith of his forefathers and setting up a little altar of his own. The hon. member for Brome has his reward or his revenge. The government to-day is worshipping at his shrine, sacrificing on the altar of free trade which he has set up. The Acting Minister of Finance, in the opinion of the hon. member for Brantford (Mr. Raymond) is ready to sacrifice the implement industry of a city, and indeed of a country. The minister without portfolio (Mr. Sinclair) expresses a desire to sacrifice the very small protection enjoyed by the farmers and others engaged in poultry raising and kindred occupations. The hon. member for Pontiac (Mr. Cahill) comes forward with an expression of readiness to sacrifice the tariff on boots and shoes, which, in the opinion of the great mass of the people of the country, is required as much to-day as at any other time in the history of Canada. But it remained for the Minister of the Interior (Mr. Stewart) to make known the full extent of the sacrifice which the government was prepared to make on this free trade altar. He tells us that he is ready to go the whole distance, and reading carefully from his manuscript, he declares that the budget is, he hopes, the death knell of protection. So then, Mr. Speaker, as I said a moment ago, the death knell of protection is to be the war cry, the battle cry of the Liberal party in the next election.

The announcement of such a policy has not been recived very favourably in the House or out of the House. From all parts of Canada protests are coming in day by day, protests from municipal councils of all kinds, from boards of trade, from organizations of labour men, from employers of labour, from organizations of fruit growers, vegetable growers and others engaged in similar industries. Protests have come in also from the press of the country. By the way, the very large number of protests that are coming through the press of Quebec must, I think, attract the attention of hon. gentlemen opposite. There have also come protests in the House very directly. The hon. member for St. Lawrence-St. George (Mr. Marler), who two years ago was being boomed as a coming minister of finance, sees nothing but trouble in this budget and he will not support it. The hon. member for Brantford, somewhat hesitatingly, it is true, but none the less effectively, declares his opposition to the proposition and he will not vote for the budget. So, too, there are quite a number of others in the House, timorous souls that are shivering on the brink and, perhaps, fearing to plunge away. We shall hear from them in a day or two, and their decision will, no doubt be the same as that of hon. members who have already spoken. Then we have a number of members who are supporting the budget, but somewhat conditionally. For instance, the hon. member for Bonaventure (Mr. Marcil) expresses a willingness to support the budget, but in the speech in which he does so, he says to the government: "It will be a very nice thing if you will make a grant of $200,000 for increased harbour facilities in my constituency." I suppose that will be the reward for the support of this veteran parliamentarian for a budget which cannot be popular in the constituency which he represents. Then the hon. member for Témiscouata (Mr. Gauvreau) is a little more enthusiastic; he is willing to support almost anything the government may bring down. He congratulates the government upon what he calls its Liberal policy, and then he expresses the hope that their liberality will continue, and that they will give him a customs house and post office in one of the parish towns of his constituency and also provide him with a ferry boat, for purposes which are not stated. Then, too, the hon. member for Quebec county (Mr. Lavigueur) is very doubtful of this budget. He does not like it. He is not a free trader. He takes issue with the hon. member for Pontiac regarding the reduction in the tariff on boots and shoes, and he expresses the belief that the tariff should be increased rather than decreased on that industry. But after going that far, he too expresses a willingness to take the chance provided that the government will give him repairs to a wharf at St. Gregoire, a post office at Loretteville, another post office at Beauportville, and he says that they should be provided for in the supplementary estimates. He is also anxious for a subsidy for the building of a bridge from the island of Orleans to the north shore; so the feeling of the hon. member regarding the popularity of the tariff proposals in his constituency may be inferred from the demands which he makes for his support of it.

Then, too, in Prince Edward Island the hon. member for Queens (Mr. Mackinnon) suggests that while the Minister of Railways and Canals (Mr. Graham) is throwing branch lines all round the other provinces, Prince Edward Island should not be passed up. He asks for a branch line at New London and one at Rustico. He also asks for some other additional grants along the same line. Then the hon. member for Brandon (Mr. Forke) was probably a little alarmed at the demands that were being made, and it got into his mind somehow that he might be accused of receiving something for his support. Those, however, who know him in this House need have no fear along that line. The hon. member for Brandon (Mr. Forke) said he had made no bargain of any kind, nor did he get a rural mail route for Pipestone valley or any other place in Manitoba in which he is particularly interested. But these are some of the demands that are made, and others are made which have not been publicly expressed on the floor of the House. From all over the country the same demands will be made, or demands of a similar nature, in order that the party may be kept together until the election which must very soon follow this announcement of the new policy. A good deal has been said in this and the former debate regarding the effect of the tariff on the different provinces and on particular constituencies, and I want to say a word or two concerning the conditions in the county of Peel. We are to a considerable extent a manufacturing community and we also raise stock and produce fruit and vegetables. This afternoon letters were read from various organizations and from different individuals setting forth their views on the tariff. The expression of opinion of these men was regarded as evidence of the popularity of a low tariff or of free trade, and if it be a good argument on one side it must be equally good on the other. Well, let us take an industry that is pretty strong in the county of Peel, the brick-making industry. There are several factories employing a good many men and doing an extensive business, and the Clay Products Association of Ontario, of which these manufacturers are members, at a meeting a short time ago at which the question of the tariff was discussed, passed the following resolution without any dissent:

> In view of the fact that freight rates in the United States are lower than in Canada and that the United States manufacturers of brick are situated so advantageously with regard to coal supply as to be able to absorb customs duties in full through fuel savings, and are at still further advantage in the superior quality of their raw materials, the Canadian manufacturers are at a decided disadvantage from a competitive standpoint. Be it therefore resolved that the association bring to the attention of the federal government that a substantial increase in tariff protection on building brick is required.

These men surely know their own business as well as those who are engaged in any other line, and if they feel that under present conditions additional protection is necessary, then their request must be given full value, and I have no doubt it will be responded to in due time as many other changes are being favourably considered by the government. We have also a considerable number of boot and shoe factories, and in this connection I may repeat what has been said once or twice before. This industry in the province of Quebec is very extensive and is demanding further protection. The industry in Canada has a capital of $30,000,000, employing from 13,000 to 14,000 men. During the last year 26 of the factories failed, making a total of 70 since the war, which is an indication that at least they are not making very great profit out of their products. And the remaining companies operate only at 60 or 70 per cent of capacity, the reason for which condition was given by a large deputation that waited on the government a few weeks ago. They pointed out that the importation of boots and shoes has increased lately by between 150 and 225 per cent, one-third of all the shoes sold in British Columbia being imported. One reason for this was that the freight on a pair of shoes from England to Vancouver was only 5 cents whereas the freight rate on a similar pair from Montreal to Vancouver was 16⅔ cents, the water rate accounting for the difference. The shoe factories that operate in the county of Peel provide considerable employment, enabling men to buy properties, build houses, take care of their families and render the usual services in the community in which they live. If they find, as they do find, that the tariff is not sufficient to maintain the industry, then I submit that it is incumbent on the government to give them sufficient protection in order that the industry may exist rather than that we should contribute to the maintenance of an industry in another country at the expense of our own men who have invested their capital and devoted their energy to building up a business in Canada.

Another industry in which we are concerned is the woollen business. This matter has been referred to on many occasions, but it is of such importance that I think the facts will bear repetition. We are told that the factories in Canada employ 22,000 people and pay $17,000,000 annually in wages, producing $70,000,000 worth of goods. The importations of woollen goods have of late, however, very materially affected the prosperity of these

factories. Let us take one instance: In 1921 there were imported woollen socks and stockings to the number of 2,813,860 to the value of $1,201,793 and in 1923 8,101,572 pairs valued at $2,951,372. On March 21 a deputation waited upon the government to press their claims in connection with this industry, and a petition was presented on behalf of 21,000 employees asking that the tariff be increased rather than reduced. It was pointed out that wages in this industry in Canada were twice as high as those paid in Manchester and 25 per cent higher than in the southern mill districts of the United States, while a man working in the woollen mills in Germany received the equivalent of 40 cents a day in Canada. Under these circumstances it is impossible for the workmen of Canada, living as they do and ought to live, to compete with outsiders, and therefore the woollen industry has a right not only to the protection which it enjoyed in days gone by, but if that is not sufficient, then it should be given a protection which will take care of those employed in the industry and provide work for those who require it at the present time. There is in Brampton the largest cut flower industry in Canada, and the second largest in the world. That industry covers 30 acres, required 2,000,000 square feet of glass in the construction of the houses, burns 18,000 tons of coal a year and gives employment to 300 hands. It has been developed as a result of the development of the industrial life of the country. It pays good wages and under it and because of it very considerable support has been given to the people in the town who have been enabled to build houses and bring up their families as they should be brought up. Now, if we destroy the industrial life of Canada we shall incapacitate not only this industry but others like it. Under present conditions, if an American wishes to send cut flowers into Canada a duty of 17½ per cent must be paid. If the people of Canada desire to send flowers to the United States the duty is 40 per cent. Two years ago the conditions were somewhat different, the American duty was only 25 per cent; but the government of the United States discovering that some small import trade was being done, increased the tariff to 40 per cent. If there is anything that is a luxury surely it is cut flowers, and if our people cannot secure at home the supplies they require and desire in this the second largest industry in the world, then if they wish to import them surely they should be ready to pay a duty. My contention is that so long as the American duty is 40 per cent against our product going into that country, the Canadian government should impose a like duty upon the United States product coming into Canada.

[Mr. Charters.]

During this debate and in nearly every other debate in this House we have heard a great deal about the poverty of those engaged in agriculture, and for its lamentable condition the greatest possible blame is attached to the Conservative party. I never could understand why a tariff administered by a Liberal government should bring prosperity, such as that we have been told prevailed throughout the Dominion from 1896 to 1911, while the very same tariff administered by a Conservative government should bring nothing but disaster. The difficulty is not with the tariff, as everybody knows who has taken the trouble to investigate. Take another instance of taxation. In the provinces there are all kinds of taxes, including municipal. The provincial debt, I might remind the House, is $428,000,000, and the interest on it is a very considerable tax upon the people. But if legislation can affect the people beneficially then we should have improved conditions, not because of what the Conservative party did or left undone, but because of what the present government, or what the Liberal party in general, has done and should be doing at the present time. Take the provincial governments; British Columbia has had a Liberal government for many years; Saskatchewan and Alberta are also favourable to the present administration, and so too a number of the other provinces. Alberta started with a clean sheet in 1905. For nineteen years the government has been carried on there by the administration of which the present Minister of the Interior (Mr. Stewart) was a supporter, afterwards a member, and finally premier, during which time they incurred a public debt of $67,000,000. In the province of Quebec, which started with a clean sheet in 1867, the public debt to-day is $55,000,000. So the evidence of what we may expect from western representatives, and in particular from the Minister of the Interior, is indicated by the course that has been pursued in Alberta. If we can be benefited by the provincial governments, as we were promised, how are we to regard what has happened in the province of Ontario? During the past four years we had the Drury government in power—and we know the results. We have also for the past three years had the present Liberal government in office, and we to-day have forty or fifty western members working over-time to keep it in power. Why, then,

under all these circumstances should the farmers be suffering more than they were before the government succeeded to office?

The Minister of the Interior told us the other day that during the past two or three years the western farmers have been unable to buy agricultural implements. Two or three other members have repeated his statement. There may be some reason why they cannot buy agricultural implements, but they are certainly buying other things, and buying them at very considerable cost. For instance, in the three provinces of Manitoba, Saskatchewan and Alberta there are no fewer than 150,000 automobiles. These at a valuation of $1,000 each represent a total expenditure of $150,000,000. If the people of Alberta, where there is one car for every thirteen persons, prefer to buy automobiles instead of threshers, harvesters, plows or other agricultural implements, surely they have no good reason to condemn the government or anyone else but themselves. The fact of the matter is that what is required is not more legislation—especially such legislation as is being proposed at this time—but economy on the part of the individual, economy on the part of municipal councils, economy on the part of provincial legislatures, and certainly very much greater economy on the part of the federal government than is being practised at the present time.

The home market has been mentioned by nearly every speaker who is supporting the government, and has been ridiculed by many. One gentleman referred to it as a myth, another as a joke. Well, so far as the county of Peel is concerned the home market is not a joke. Let me remind the House that the population of Toronto and York is 588,195, while the population of Alberta is 588,494—almost identically the same. We are spending days and nights, weeks and years, endeavouring to create conditions under which the people of Alberta and Saskatchewan will benefit, and there seems to be a disposition in the House to sacrifice the interests of the 588,000 people of Toronto and York, if by so doing the interests of the people in the western provinces can be in any way advanced. We have in Montreal and Hamilton 732,000 people, and in Saskatchewan 750,000 people—again practically the same number. Surely the interests of the people in those two cities deserve as great consideration as the interests of the people in Saskatchewan. They have furnished a home market, they have developed industry, they have paid a large percentage of the taxes, and they are ready at all times to bear a share of the country's load. When that is so it is not good for the Dominion, it is not good for the western provinces, for the representatives from those provinces to continually complain about Toronto and Montreal, and about the taxation that is being imposed upon the farmers of the West when as a matter of fact the cities and towns are paying a very much greater percentage of taxation than is being paid by the rural communities.

Let me point out two or three facts. In the county of Peel, which I may cite as an example, although the same will apply to all the counties surrounding Toronto, there has been provided a home market that has made for prosperity in those districts. There is no poverty, and has not been for many years, in those counties. One evidence of the value of a home market to the people in the surrounding country is indicated by the fact that the county of Peel, for instance, sends daily to Toronto not less than 10,000 gallons of milk, as well as large quantities of poultry, butter, eggs, vegetables and fruit. That is their profitable market. I repeat, if we are going to spend time and money in an endeavour to create markets for those engaged in other lines of industry, then we have a perfect right to give attention to those who are not growing wheat and are not living west of Winnipeg.

It may interest the House to listen to one or two quotations somewhat different from those that have already been presented. For instance, in 1922 Canada produced 677,317,600 pounds of beef, and consumed 651,946,166 pounds, or 96 per cent. We produced 710,449,872 pounds of pork, and consumed 661,977,326 pounds, or 93 per cent. We produced 90,046,395 pounds of mutton, and consumed 87,419,020 pounds, or 97 per cent. We produced 252,501,900 pounds of butter and consumed 237,393,928 pounds, or 94 per cent; we produced 92,909,000 bushels of potatoes and consumed 90,110,000 bushels, or 97 per cent; we produced $48,000,000 worth of eggs and consumed 98 per cent of the total production. Surely when that is the condition, and it is according to the report sent out by the department, we have here a home market that means a very great deal to the farming people not only of the province of Ontario but the province of Quebec as well. The vegetable growers of the provinces of Ontario and Quebec, who met in convention a short time ago in the city of Toronto, evidently believed protection of some value to them because at that convention they passed this resolution:

That we realize from reports from all parts of the province that our farmers, especially those engaged in supplying vegetables during the winter and early summer seasons, are gradually being driven out of business by the importation of cheap, field-grown products of the semi-tropical parts of the United States. We therefore humbly beseech the hon. Minister of Finance to help us obtain some relief from these disastrous conditions. Knowing as all Canadians do, that money must be obtained through taxation to carry on our governmental activities and pay our portion of the great war debt, we think that those most able to bear the burden should do so, and therefore petition you to impose a 10 per cent luxury tax, in addition to our present taxes on our vegetable and fruit imports, which are undoubtedly a luxury in the seasons during which we find competition impossible.

The same idea is expressed in the Montreal Herald of March 10th last, in an editorial discussing the increased duty on wheat imposed by the American government. The article concludes as follows:

Even in agricultural and vegetable products we import far more from the United States than the United States imports from us. For instance, during the 12 months ending December last we imported from the United States agricultural and vegetable products to the amount of $78,814,028, while our exports of agricultural and vegetable products to that country amounted to $49,225,234. Therefore, Canada imported from the United States about $30,000,000 more of agricultural products than the United States imported from us. Obviously, the United States is not playing the game, and if there is not a prompt demand for tariff retaliation we shall be surprised. Now is the golden opportunity for the King government at last to give a taste to our Canadian farmers of the benefit of protection. Why should not that $78,000,000 of imports of agricultural products be raised as far as possible by Canadian labour and Canadian farmers on Canadian farms? Putting the question brings the obvious answer.

That is an article from the Montreal Herald, which is advertised as the organ of the Liberal party.

Mr. CALDWELL: Can the hon. member tell us what proportion of that importation was comprised of tropical products, cotton for instance, and sugar?

Mr. CHARTERS: I have not the figures, but if there are any tropical fruits being imported into Canada free of duty, I should say that a duty should be imposed so that the apples and other fruit of the Canadian farms will be used in place of that imported, and I would apply that in every department; for instance, where the American tariff is 8 cents against us on eggs, we should increase our tariff to the same amount; where it is 8 cents a pound on butter, we should increase our tariff to the like amount.

The pretence, or perhaps I should say the intention, of the government is to bring relief to these suffering people. Well, it has not done so. The alleged surplus of $20,000,000 existed only in the mind of the Acting Minister of Finance (Mr. Robb). The ex-Minister of Finance (Sir Henry Drayton) clearly established that fact in his opening address, and the same position was taken by the hon. member for St. Lawrence-St. George (Mr. Marler), and endorsed by the hon. member for Brome (Mr. McMaster), and approved, I think, by the hon. member for Brantford (Mr. Raymond). The promised reduction in expenditure of $27,000,000 will be eaten up, judging by the demands that are being made, by the supplementaries. The burden of taxation which we were told weighed so heavily upon the people has not been materially lessened, the reduction in sales tax being only about one-third the amount imposed by this government two years ago. Unemployment still continues, and continues to an alarming extent. The emigration of from 150,000 to 200,000 Canadians annually to the United States has not been stopped. The public debt is many millions greater than when the present government took office. When that is the case, and I think it is the case, I do not see how congratulations can be poured upon the ministry from either its western or its eastern supporters.

What has been done elsewhere should be done, or at least be attempted in this country. Great Britain has reduced her expenditure by nearly one-half since the war, a saving of $37,000,000 being shown in the estimates for civil service and revenue departments alone for 1924-1925. This, I think, should be notice to the departments in Canada to follow along the same lines. Great Britain has reduced her public debt by nearly $2,000,000,000, and the United States has reduced her debt by a very much larger amount. New Zealand has done even better. Premier Massey in an article in the Nineteenth Century last year said:

For the year ending March 31st, the government was able to announce a surplus of £1,315,638. Last session it became possible to reduce the income tax by 20 per cent; to reinstate penny postage; to remove the income tax from farmers, and leave them subject only to the land tax; to assist ex-soldier settlers to the extent of probably two millions sterling; to increase soldiers' pensions in the aggregate by about eighty thousand pounds per annum; to abolish the amusement tax on admission on all tickets not costing more than one shilling, and also the duty on tea.

I say that what has been done in England, what has been done in the United States, what has been done in New Zealand, should be done also in Canada, and would be done but for the fact that the administration is so busily employed keeping itself in power that it is unable to attend to the business of the country and bring the relief such genuine measures would produce. By the exercise of even reasonable economy and the employ-

ment of business measures, the annual expenditure of Canada could be reduced by $30,000,000, and the public debt by a corresponding amount. We have a right to look for reduction. We should have had a reduction last year in the postal rates. They should be to-day what they were prior to the war. The stamp tax should be abolished. Public works not absolutely necessary should not be proceeded with, no matter what the demands of the supporters of the government may be. The commissions that are going around this country, and they are very numerous, should all be abolished. We have, I believe, eight or nine commissions going about now, and I am quite sure when the account is presented to the country the cost will be very much greater than the amount alleged to be saved to the people by the tariff changes which have been made. The members of the government should set an example of economy in the numerous expenditures under their direct control. But, above all, the tariff should be placed on a stable basis. We should have a tariff sufficient to protect the industries of this country, provide employment to our workers, discontinue emigration and restore that confidence which is greatly lacking at the present time. That confidence will be restored and conditions will be improved just as soon as the government musters up courage enough to appeal to the people and submit their proposition to the electorate. When that is done, there will be a return to power of the Conservative party which will advance the interests of the country as in days gone by.

Mr. A. E. MacLEAN (Prince, P.E.I.): I congratulate the hon. member for Peel (Mr. Charters) on the excellent address from his own point of view that he has given. With some of the hon. gentleman's remarks I can agree. In others I cannot by any means concur.

In commencing his speech my hon. friend said it could be easily seen that the present government intended to wipe out the tariff. How the hon. gentleman arrived at this conclusion I cannot tell. I think everyone will admit that notwithstanding the changes made by the budget there is a fairly substantial tariff left with sufficient protection to existing industries. My hon. friend also stated that the government has sacrificed the implement manufacturers. I think we can also show good reasons why these manufacturers should not object to the budget proposals and that in reality they are not hurt very much by the changes made.

The hon. gentleman spoke about economy and with much of what he said I agree. He made a statement which I think is deserving of the utmost consideration. It was that a large amount of the money that should be available for different enterprises in this country is locked up in automobiles. I think the general consensus of opinion will be that a large amount of the savings of our people has gone in this direction.

My hon. friend asserted that we on this side wished to sacrifice the home market and thereby seriously damage Toronto and other industrial centres. The hon. member is quite astray in that statement. I do not think any good Canadian wishes to do anything to injure the home market. If I may be allowed to describe the policy of the government, it is that they purpose giving to the dollar its proper purchasing value in order that our industries may flourish, and that those who cater to the home market may receive a fair return for their labours.

The hon. member for Peel stated that he thought it would be only fair to enforce a retaliatory tariff against the United States. I think the hon. gentleman is arguing from false premises. Why does he not look at the matter in a different light. The United States admits free of duty agricultural implements, cement, coal, boots and shoes, leather manufactures, newsprint, tea, and a large number of other articles from Canada that I will not take time to enumerate. On the other hand we enforce against these articles a high rate of duty. Now, would it not be a more statesmanlike proceeding to say to the United States "We will allow you to send into Canada on the same terms the articles which you admit into your country free of duty;" if that course were pursued it would be only fair in view of what the United States is doing with regard to these Canadian products, or is he willing for the United States to put on a retaliatory tariff on those articles.

I wish to congratulate the Acting Minister of Finance on the splendid showing made in the budget, and the fact that he has succeeded in converting a long list of deficits into a surplus. The Prime Minister and the other members of the cabinet are also deserving of praise because they have made it possible for the budget to be brought down in its present form. I think I am safe in saying —apart altogether from what members of the Conservative party think—that the budget will be received with approval by all our people. It will bring a large measure of relief to those who have been looking for cheaper agricultural, mining and lumbering machinery, to those engaged in the fishing industry, and to the consumers of a large number of articles that may be characterized as household necessities. I think our Con-

servative friends, when they are paying their money over the store counter, will be just as willing as the rest of us to welcome the reductions in the cost of articles they buy.

The hon. member for South York (Mr. Maclean) argued in his speech on the Address in reply to the Speech from the Throne that the government's tariff proposals should have been submitted to the people for their approval. I maintain, Sir, that the people voted on this very question in the winter of 1921, and I would remind the hon. gentleman in question that 180 members were elected to this House to carry the policy into effect. I am glad to know that to-night we are able to congratulate the government in carrying into effect a policy which was advocated by the Liberal party at that time.

Some hon. gentlemen opposite have twitted us with applauding the statement of the Minister of Finance last year on "tariff stability." There is no gentleman in this chamber for whom I have a higher regard than the Minister of Finance, and I regret that he is not able to be with us at this time. However, on the occasion of the budget debate last year I made the assertion—as will be found on reference to page 2,973 of Hansard for 1923—that no matter what interpretation might be placed on the word "stability" as used by the Minister of Finance I for one, and the Liberal party as a whole, would not be satisfied until we saw further reductions of the tariff and relief granted from the burdens under that tariff. To-night I adhere to that statement. However it is only fair to say that if the Minister of Finance had been here he would have presented a budget of the same character as did the minister who acted for him. I make this statement notwithstanding many announcements to the contrary that have been heard.

Before proceeding to discuss the tariff reduction, I wish to refer briefly to the financial improvements as shown from year to year since the government came into power. I pointed out last year where economy should be practised and where large savings could be effected in all the departments, and I am pleased to see that a very effective showing has been made along many lines.

But the members of the opposition state that there is no reduction of debt, that it is visionary and delusive. What do we find? The total revenue receipts are $405,622,760, and the expenditure $375,215,651, showing a net decrease in the public debt of $30,409,109. In addition to that, if our hon. friends refuse to follow the bookkeeping that was established when they were in control of the finances of the country, and refuse to accept their own statements, as it were, made up along the same lines as was practised by the former administration, and if they think they cannot discover a surplus, I think there is one way that a financial improvement can be shown. If we turn to the interest tables on page six of the estimates we will see that there is a reduction in the interest of $4,133,592 for this year. This should be convincing evidence that the budget has been balanced, that the debt has been reduced, and that we are having a balance on the right side of the ledger, and should convince everyone of the marked improvements in the financial showing. Last year I pointed out that we had the war burden with us, and no man will deny that statement. With our total war indebtedness standing around $1,693,000,000 and an annual interest charge of $100,000,000 on that account alone we have brought home to us the fact that the war burdens are with us in a very real way. When we realize that our net debt before the war was only $335,996,850 and our annual interest charge $12,893,504, compared with a net debt on March 31st, 1923 of $2,453,776,868 with an annual interest charge of $136,000,000, I think everyone in Canada should welcome the good news that our deficits are stopped and the balance on the right side of the ledger. Before the war our pensions were only $311,900, and to-day our pensions are over $32,000,000.

It is very easy to blame the present government for high taxation, but we must be fair, analyse the exact situation, see where the blame lies and see if the present situation is not largely due to reckless financing of the past government even in the period before the war when they were in office. And if you take into consideration the purchasing power of the dollar now as compared with the pre-war period, the individual taxpayer is paying less for administering the public service so far as the controllable expenditure is concerned than he did in the three years previous to the war; not only that but the late government not only left us the total war indebtedness but failed to meet the ordinary cost of administration for that period, by $13,773,733, and this at a time when money might have been easily raised by various means of taxation.

In three years this government has so reduced controllable expenditure that all our obligations are now met out of ordinary revenue, except the railway expenditure, and the legacy left us in the merchant marine, but I will deal with this later.

When the Laurier government went out of power in 1911 on the reciprocity issue, one of the cries that helped to defeat Sir Wilfrid was, "Let well enough alone." Revenues were abundant to meet all charges on consolidated fund and nearly all charges on capital account; trade figures were steadily soaring; the immigration tide was still running at the full; every index of national prosperity was buoyant and cheering. There was no Jeremiah in all the land to cast a doubt on the future, no troubles about the burden of taxation, no "Whisper of Death," no cry of "Retrench." What happened in the three short ensuing years? The official records in the light of the present day of reckoning are sadly illuminating. In 1911 Canada's controllable expenditure on consolidated fund account totalled $65,528,512 or $9.09 per capita. With the advent of the new government, however, in the autumn of 1911 there came an immediate change. In 1912, the controllable expenditure jumped to $74,920,944; in 1913, to $85,455,679 and in 1914 to $102,411,415. Worked out on a per capita basis, this represents $10.17 for 1912, $11.35 for 1913 and $13.31 for 1914. The increase from $9.09 per capita in 1911 to $13.31 per capita in 1914 means an increase of no less than 46 per cent in the three years, of Conservative rule. To use a street phrase this is "going some" and this at a time when economy was imperative, when revenues were beginning to fall, trade to stagnate, unemployment to increase, and cost of living to rise. In 1913, the total revenue was $168,689,903; in 1914 it fell to $163,174,395; and the following year to $133,073,482. In the Public Works department, under Hon. Robert Rogers, who is even now pleading for a return to power of the true Conservative patriots of the pre-Union days, the increase in three years of expenditure on consolidated fund account alone was $25,592,413 or over 96 per cent as compared with the preceding three years of the Laurier-Fielding regime. In the Customs department, under the Hon. Dr. Reid, the cost of collecting $100 of revenue rose from an average of $2.78 in 1911 to $4.77 in 1914 or about 62 per cent. In the Post Office Department a surplus of $1,310,219 in 1911 was turned into a deficit of $2,914,541 in 1914. My hon. friend who resumed his seat a few moments ago had the audacity to take the government to task for not returning to the two-cent postage rate. I think I am safe in announcing that the Post Office Department is this year showing a surplus, notwithstanding the tremendous deficit that was rolled up when our friends opposite had charge of that department.

This was the beginning of our present financial troubles. Whereas in 1911 the per capita amount of our total disbursements on consolidated and capital accounts was $17.03 and the per capita revenue $16.34, in 1914 the per capita disbursement was $24.21 and the per capita revenue $21.21; in other words, the government then in power were piling up our national debt at the rate of $3 per capita three years before the war.

When the world plunged into the devastation of war, Canada, under the Conservative administration was already well started on the path of piling up financial obligations for the uncertain future to take care of. As has already been noted, the controllable expenditure had increased by 46 per cent in three years while capital expenditure had increased by nearly 70 per cent in the face of falling revenues and growing industrial depression. To the present government is left the task of paying the principal and interest on the total deficit of $1,860,113,241 accumulated during the eight years of the war and demobilization period. Now is the present government making its grade back to normal conditions in finance? I wish to submit figures to prove that it is. The struggle has been hard, and that fact is all the more reason why the people should appreciate what has been accomplished, and this is the reason the Robb budget of this year is hailed with delight. I wish to submit figures now for the past eleven months of the present fiscal year.

The controllable expenditure on consolidated fund account—that is for the costs of the ordinary government services—totalled, $132,319,846 for the last fiscal year, a decrease of $8,195,215 as compared with the previous year. Taking the Census Bureau's estimate of our present population as 9,146,457, this works out to $14.47 per capita. It marks the first decrease in per capita controllable expenditures since 1911 when it was $9.09 per capita of population, as I showed at the beginning. In 1921, it was $15.12 per capita, and in 1922, it was $15.68 per capita; but these fiscal years, as hon. members will remember, were both under the parliamentary control of our hon. friends opposite.

Let me turn now to the figures of expenditure on capital account, and the recent record is equally gratifying. Exclusive of the deficits on railways and merchant marine accounts, the capital expenditure in the fiscal year ended March 31, 1923, was only

$9,807,373, or $1.07 per capita, as compared with $16,295,332 in 1922, or $1.82 per capita. I think the following table should be put on Hansard just to show since 1921 what has been accomplished:

Year	Total disbursements	Total receipts	Net debt increase
1921..	$528,618,199	$436,292,185	$92,317,628
1922..	436,652,436	382,262,571	81,389,865
1923..	437,056,736	405,415,064	31,641,067

Coming to the year 1924, we find the following budget estimate:

Total disbursements	Total receipts	Net debt decrease
$375,213,651	$405,622,760	$30,409,109

Or a betterment of $60,000,000, if you take the deficit of the last year and the surplus of this year. This brings us to this year with a balanced budget, the first since pre-war days, with our exports exceeding our imports for the eleven months by $158,000,000, with our revenue increasing and with our expenditures going down. I think we may look to the future with bright hopes for our country and on the achievement of the present administration with pride and satisfaction.

It is often remarked that out of the large revenue, around some $400,000,000, possibly a saving of $60,000,000 in expenditure is not very much. I just wish to state that this saving of $60,000,000 in expenditure is made, not out of total expenditures, but out of what is known as controllable expenditure, which is very small indeed as compared with total expenditures. The principal uncontrollable items are: Interest on the public debt, $134,258,371; pensions, $34,122,078; superannuation, $1,252,500; subsidies to provinces, $12,375,153; or a total of $182,008,113. There are other items due to the war such as Soldiers' Civil Re-establishment, Soldier Land Settlement, Imperial War Graves Commission, Battlefields' Memorials, League of Nations Secretariat, adjustment of war claims and so on, which amount to something over $17,000,000. In addition, there may be considered such fixed obligations as those authorized by statute in connection with the Department of Labour, of $150,000 for organization and co-ordination of employment in Canada—see page 51 of the Estimates. Loans to railways for 1921 amounted to $56,000,000 and loans to the Canadian Government Merchant Marine, $900,000. This leaves a balance, as hon. members will see, of $117,971,524 of controllable expenditure out of a total estimated expenditure of $375,213,760.

[Mr. A. E. MacLean.]

Some will take objection to the figures that have been submitted to the House in connection with railways. I do not know that it is worth while going into that, but I think we can easily show that the same manner of bookkeeping was followed by our friends who preceded us, and if you look up their accounts, you will find that they charge all loans and guarantees to railways to the loan account and not to the public debt. If you look at the loan account of July, 1921, you will find that $25,000,000 was raised for the Canadian Northern and a further amount of $25,000,000 for the Grand Trunk, making $50,000,000 in all charged against the loan flotation of 1921-22. There was also a further guarantee of $11,000,000—

Mr. GRAHAM: For equipment.

Mr. MacLEAN (Prince): Yes, for equipment. When you are speaking of equipment, I do not think it is fair to charge up equipment to the public debt, because if I am correctly informed, when equipment is issued, it should be a charge against capital account, as I have said, because a lien is taken upon it; and it is an asset that could be turned over possibly for face value for a great number of years, so that the argument of charging up railway equipment to the public debt is not, in my estimation, a fair method of bookkeeping. If, however, they wish to charge up the actual cash advance to railways, it can be shown that the budget then is not too far from being balanced, even when charging up any guarantees or loans clear of equipment.

There is one thing to which I wish to refer, and I am sorry the hon. member for St. John City (Mr. Baxter) is not in his seat. It seems to me that the unpardonable sin that we members on this side of the House commit in the eyes of our hon. friends of His Majesty's loyal opposition is, in the first place, that we will do anything that favours our Progressive friends of the West, and, in the second place, that this government will do anything which will help the ordinary labourer in this country and the farmers in general. The task of our hon. friends opposite seems to be to set the East against the West and the West against the East. I would not refer to this at this late hour to-night, but it is a question that has, I may say, nation-wide significance. Our friends have endeavoured to sow this distrust in the minds of the people against the present administration. They

have endeavoured to make the farmers of the West believe that the government has done and will do nothing for them; that the government did not live up to its pre-election promises; that there would be no tariff reductions or sales tax exemptions. This has been their song during the past two years; we have been accused of not living up to the 1919 platform. It seems to be the purpose of hon. gentlemen to sow distrust in the minds of the people of western Canada and to give the impression that this government is dominated by a voice behind the scenes. We are told that when the West asked for bread the government gave them a stone and that the government was legislating in the interests of the East to the disadvantage of the West. In the language of the hon. member for St. John (Mr. Baxter), the government deliberately sacrificed the rights of the Maritime provinces and threw them as a bribe to the grain growers of the West. Now, I think it is only fair at this stage that I should read what the hon. gentleman said at the time, because as it happened I myself was a member of the Railway committee to which this despatch has reference. It is dated December 2, 1923, and was published in the Montreal Gazette. It is as follows:

(By Canadian Press)

Halifax, Dec. 2.—That the government of Right Honourable Mackenzie King had deliberately sacrificed the rights of the Maritime provinces and had thrown those rights as a bribe to the grain growers of the West, was the charge of Hon. J. B. M. Baxter, of St. John, addressing a meeting in the interests of W. A. Black, Conservative candidate in Wednesday's by-election, at Dartmouth Saturday night. The government had, he repeated, bought the votes of the Progressives with that which belonged to those provinces—and, most humiliating of all, he said, the sixteen members from Nova Scotia had been a party to the "great betrayal". Not one of them had offered the slightest protest against a piece of political treachery that had robbed New Brunswick and Nova Scotia of what was theirs by all dictates of justice and national fair dealing, said Mr. Baxter.

"We want men who will present our needs and rights", declared Mr. Baxter, "men—not voting machines".

I do not know that I need read the rest of the article, which is couched throughout in similarly strong language. It goes on to state that the hon. member said the government had the solid sixteen who were voting machines that would support the government in anything and everything, so that the Prime Minister was in a position to deal with the Progressives and sacrifice Maritime rights. That is the sort of propaganda which men who claim to be statesmen in this country are disseminating from the Atlantic to the Pacific. As one who was a member of that committee I want to declare right here that in my opinion the prairie provinces had a grievance, for it was shown to the committee that the people of those provinces were being imposed upon by every organization in the West, the banks included; and we believed as members of the committee that in the interests of fair play, between the people of one section of Canada and those of another, the Crowsnest arrangement should be put into effect again. I supported that proposition in the committee, I supported it in the House, and I am willing to stand by it on any platform in the country and defend it. I desire now to put on record a few facts to show just how far-reaching the effect may have been so far as the people of the Maritime provinces are concerned, and the prejudice it may create against the government and the West if not contradicted. The hon. gentleman at that time must have known that reductions were given over the Atlantic division which would largely offset any reductions that were made in connection with the Crowsnest pass. True, they may not be as large as we wish or run into as many millions of dollars, because there is not the traffic over the road; but I wish to make the statement that in my opinion the railway management and the government have been as fair to the East as to the West. Let me read the following questions and answers which I asked of and received from the management of the Canadian National Railways:

Question 1: What reductions in freight rates have been given on the eastern division of the Canadian National Railways since 1922 (or since the reduction of the Crowsnest pass came into force)?

Answer: Memorandum of important reductions in freight rates from and to also between points on the Atlantic region, Canadian National Railways, since July 1, 1922.

General Reduction

On August 1, 1922, rates on basic commodities, as listed below, were reduced to 17½ per cent over the rates in effect prior to September 13, 1920, equal to a 6 per cent reduction. The basic commodities are as follows:—

Building material.	Iron and Steel Articles.
Brick	Billets
Cement	Blooms
Lime	Scrap iron
Plaster	Wire rods
Fertilizers	Pig Iron
Lumber and forest products	Potatoes
Ores	

General Adjustments

The rates between Prince Edward Island and all points on the mainland have been revised to the

basis applicable on the mainland. This readjustment included class rates and the following principal commodities:—

Building materials	Grain and grain products
Coal	Hay and Straw
Lime	Lumber
Limestone	Live stock
Slag	Potatoes
Fertilizers	

On export and import traffic—Halifax arbitrary of 1 cent per 100 lbs. over St. John, N.B. on export and import traffic, eliminated.

Class Rate Adjustments

	Remarks
Between Ontario and Quebec points and St. Peters sub-division.	Reduced to main line basis.
Between Maritime provinces and western Canada.	Arbitraries over Montreal reduced to approximately basis in effect prior to 1918. Reduction of 4 cents per 100 pounds on first class rate with equal reduction on other classes.

Specific Reductions

Commodity	From	To	Reduction
Coal	Coalburn, N.S. Thorburn, N.S.	All points	Arbitrary of 5 cents per ton over Stellarton eliminated.
Coal	Westville, N.S.	Points in vicinity of Trenton, Pictou and New Glasgow, N.S.	20 cents per ton.
Coal	Springhill Jct., N.S.	Woodstock, N.B.	20 cents per ton on traffic destined to United States.
Coal	Springhill Jct., N.S.	Bathurst, N.B. Chatham, N.B.	Reduced approximately 40 cents per ton, to maintain traffic against U.S. coal moving by water.
Coal	Springhill Jct., N.S.	Prince Edward Island.	Reduced 60 cents per ton.
Grain and Grain Products.	Between all stations in the Maritime provinces, including Prince Edward Island.		Mileage scale established. Reduction from 3½ to 4 cents all round per 100 lbs.
Grain and Grain Products.	Port Arthur, Ont. also Ontario and Quebec.	Branch lines in Maritime provinces.	Reduced to approximately main line basis.
Grain Products	Bay ports	Atlantic ports for export, milled in transit.	Reduced 2½ cents per 100 lbs. Rates to Halifax were further reduced by elimination of arbitrary 1 cent over St. John.
Oats	Prince Edward Island.	Charlottetown, P.E.I., for furtherance by water.	Established on same basis as to mainland ports. Reductions 5 to 6 cents per 100 pounds.
Lumber and Forest Products.	Caraquet branch	Main line stations	Reduced to approximately main line basis.
Newsprint Paper	Bathurst, N.B.	Consuming points in Canada and the United States.	New rates established on same basis as from other producing points.
	Ontario and Quebec.	Prince Edward Island	
Woodpulp	Pulp Mills, on Bridgewater division.	Halifax, N.S. Lunenburg, N.S. Bridgewater, N.S. Liverpool, N.S. Shelburne, N.S. for export.	Reduction 6 cents per 100 pounds. Reduction approximately 10%, to assist mills in reaching export markets.
Fertilizer	St. John, N.B.	Prince Edward Island	Reduction $1.65 per ton.
Limestone	St. John, N.B.	Prince Edward Island	Reduction $1.40 per ton.
Potatoes and turnips for export.	All stations in Maritime provinces.	St. John, N.B. Halifax, N.S. North Sydney, N.S. Sydney, N.S.	For movement of 1922 and 1923 crops, rates prior to 40% increase were restored.
Potatoes and turnips for export.	Prince Edward Island stations.	Charlottetown, P.E.I.	Reduction from narrow gauge territory of 2 cents per 100 lbs.
Potatoes	Tignish	Charlottetown	Reduction from 24 to 13 cents per hundred pounds.

There has been a reduction of four cents per hundred pounds on ten classes of commodities from St. John, Halifax, and Prince Edward Island to Montreal. Now, I think this shows conclusively that when that gentleman was making this statement down in Halifax he must have known that these rates had been put into effect, and was simply endeavouring to work on the feelings of the electorate in the by-election.

I could quote the Crowsnest pass agreement. I have no doubt that those hon. gentle-

men who have been spreading this propaganda in the East know full well that the rates in that agreement are more favourable to the East than to the West. A large number of commodities covered by the agreement can be shipped from Montreal and St. John to the West at much lower rates, I venture to say running from 20 to 50 per cent lower than the rates from Vancouver to Winnipeg. So the Crowsnest pass agreement was just as favourable to eastern as to western Canada, in fact nothing would help the manufacturers of the East more than to have those rates go into effect. I do not think it is necessary for me to stress this point, because those hon. gentlemen must be perfectly well aware of the facts, and I can see only one reason for their propaganda—an endeavour to divide the East from the West in an attempt to make political capital out of what the government has done in the interests of the whole Dominion. But our friends have, I think, wasted two years of valuable time. They have been, as the saying is, barking up the wrong tree. They had been endeavouring to persuade the farmers and workingmen of this country that the government was standing by the manufacturer to their detriment. But when the budget was brought down those propagandists woke up to the fact that they must immediately go into reverse gear, speaking in automobile terms, and endeavour to undo their work of the past two years. It is really a pity that so much splendid energy was wasted during that period, for certainly the budget has disabused the minds of the masses as to the direction in which the government is shaping the national policy. One of the best signs of the times is that the government is working mainly in the interests of the people in an endeavour to bring them relief.

In our province the fishing industry is of great importance. I have received a number of letters from my friends there regarding the industry and asking what is being done for its encouragement. I have obtained a list from the Department of Customs, and after studying it carefully I feel sure that very little further can be done in the way of tariff relief, because nearly everything that is used by the fishermen of the eastern provinces is now upon the free list. Last January the sales tax was taken off all lobster cans, labels, wrappers and cases. In fact, everything that can possibly be done has, I think, been effected along that line. A number of people complain of the sales tax being imposed upon canned lobsters and claim that it should be removed. Under the present regulations the sales tax is imposed only upon lobsters for domestic consumption; when the lobsters are exported the tax is rebated. Now, my information is that fully 95 per cent of the lobster packed is exported. Therefore I think the Customs department are only wasting time and energy in retaining the sales tax on this commodity. We have endeavoured to bring this to the attention of the cabinet with a view to the complete removal of the sales tax, but I understand the cabinet regard lobsters as a luxury. But as the government is making nothing out of this tax, whereas its imposition created a great deal of difficulty to lobster packers and dealers, I think it might well be taken off altogether. In the province of Prince Edward Island the fishermen have formed a co-operative union to sell their live lobsters in the States. In the last few years a considerable trade has been developed in this commodity, and it will be largely augmented this year. There is no doubt that those engaged in the industry are proceeding on the right lines in acting co-operatively and sending a man into the American market to handle their output there.

At one time the oyster industry brought more money into the province of Prince Edward Island than any other industry. A few years ago something affected the extensive oyster beds and they were almost wiped out. We have been urging the federal government to clean up some of the beds and reseed them to see if with proper care and cultivation these wonderfully productive oyster areas could not be brought back to their former condition. We hope the government will look further into this matter and give us some assistance along these lines.

Our friends opposite have twitted us because we sometimes refer to railways and branch lines. Speaking for the county I represent, I acknowledge the splendid assistance which the government and the railway management have given us in standardizing the gauge, so that now all our shipments go through to destination without breaking bulk. This was accommodation which was long overdue, and on behalf of the people of my county I thank the government and the management of the Canadian National Railways for this great improvement. I hope the good work will be continued. There is a portion of the province where the work is not completed, but I have no doubt that it will be pushed forward with all possible speed.

There are a few matters that I wish to refer to which are of vital interest to the railway, and as the Minister of Railways (Mr. Graham) is good enough to remain in his seat and listen I will bring them to his attention

To the wharf at Albert known as the railway wharf there was a short spur line from the station, and in the years gone by a large fishing industry was carried on there. Even as late as two or three years ago some five or ten thousand dollars' worth of fresh mackerel was shipped over that wharf, to say nothing of the large trade that may develop in fresh lobsters. A very small outlay would improve conditions at that wharf and give better shipping facilities for the people of that section. The same thing applies to the railway wharf at Summerside, P.E.I. Now that the car ferry is running, on the Borden-Tormentine route the boats have been taken off the Summerside—Pointe du Chene route and the railway wharf has not been used. It is a question as between the Public Works department and the Railway department which should take over this wharf and put it in repair. We have a splendid harbour there, and if the rails are laid again on the wharf and it is put in repair, there is no doubt that it will bring a large amount of traffic for the Canadian National Railways. It would facilitate also the shipment of potatoes and other products from that point. I hope that this matter will not be overlooked. These are really not branch lines we are asking for, but just a little accommodation for the improvement of shipping facilities.

At a place known as Cape Traverse on the branch line to Borden, when the new car-ferry system was put into force the rails were taken up, on what was known as the Cape Traverse branch and that left the people in that vicinity in some cases eight or ten miles from a railway siding. The roadbed is there, splendid stone bridges are there, the sleepers are there, although perhaps not in as good condition as they were, and the people of that vicinity are asking for the rails to be laid on that roadbed for a distance of about one mile and a half to what is known as Campbell's Crossing. This would allow the people of that vicinity to ship possibly hundreds of carloads of potatoes that are grown by the farmers of that thriving section.

Another scheme that was under consideration was the building of a branch line to Richmond bay to tap the large mud deposits there. A survey was made of that line and estimates were submitted, and it is asked now by the people of Lot 18 that if the branch is extended to the bay, it be put on the Lot 18 side of the bay in order that it may give transportation facilities to the people in that section who are from eight to ten miles from a railway. I just mention these matters in passing, but I sincerely trust the government will not overlook them when the time comes for going into them more carefully.

[Mr A. E. MacLean.]

Fur farming in Prince Edward Island and the whole of Canada is a very important industry at the present time, and I think it should secure a little more consideration than it has in the past from the government. The fur companies in the different parts of Canada were formed at a time when prices were exceedingly high, and there is no other business in the world that would have succeeded under similar conditions, but these companies have been able to pull through and are now in a fairly well established position. However, they are very heavily taxed on income and I think that under present conditions this industry which is bringing into the province of Prince Edward Island alone around $1,000,000, a year should receive some encouragement, and we are asking the Department of Agriculture at Ottawa to give us some assistance along the line of investigational work.

Our friends opposite have been telling us that we have ruined the implement industry by removing the protection from the manufacturers. I hold in my hand a little booklet published a short time ago by the Massey-Harris people in which they give some quotations on prices, and it shows that in 1913 a binder could be purchased for 266 bushels of wheat, or $170. Prices commenced to go up and in 1918, with the same 266 bushels of wheat at $1.99 cents per bushel a farmer could purchase a binder for $257 and have $272 left over. In 1919 prices rose even a little higher, but in 1921, 1922 and 1923 the situation changed, and we find that the farmers on account of the very, very low price of wheat had to give 266 bushels of wheat and in addition $138 in cash to purchase that same binder. This table shows how farm products have dropped to such a large extent, while at the same time the price of the farm implements has been soaring or at all events the price has not come down to the same extent as agricultural products. Our friends opposite say the Laurier-Fielding tariff was a proper tariff. Well, for the sake of argument let us say that we had the Laurier-Fielding tariff in 1913. At that time I think the tariff was 12½ per cent on farm implements, possibly more, but for the sake of argument we will say 10 per cent. Now in 1913 a binder cost $170, and a duty of 10 per cent gives $17 duty. In 1923 a binder cost $280, and six per cent on that gives a duty of practically the same amount, namely $17, so I do not think our farm implement manufacturers can complain under those circumstances. You will see

that the manufacturer has the same protection on a single binder as he had in 1913. At the same time, owing to the increased price of a binder the farmer is saved $18.20 duty and a further saving of $16.80 sales tax, making a total of $35.20, which would be the duty and sales tax that he would pay on a binder at $280 under the old tariff of 12½ per cent. Now, the present saving on a binder at $280 and a tariff deduction of 4 per cent is $11.20 and sales tax removal of 6 per cent is $16.80, making a reduction of $28. While these reductions have brought great relief to the farming community the manufacturers are not hurt in any way, as the increase in price of their machinery, on which the rate of duty is fixed and collected, gives them the same protection on each binder as they had back in 1913, namely $17 on one machine, and the same thing applies throughout. The high price increases the protection. So I think the argument of our friends opposite with regard to these tariff reductions hurting the manufacturers does not hold water. I see by to-day's paper that the Massey-Harris Company are fairly well satisfied with the budget proposals that have been submitted.

Before concluding, I just want to say that last year I supported the budget, rather reluctantly. Although I never advocated free trade I did advocate a tariff for revenue purposes, a tariff that would allow the consuming public to import at a reasonable price, and at the same time contribute a certain amount of revenue to the treasury. I stand by that position still, and I claim that the budget this year has got nearer to that point than anything we have yet had in this country.

Again I wish to congratulate the Prime Minister, the Acting Minister of Finance, and the rest of the cabinet upon having brought down a budget which I feel will stabilize industry, will give confidence to the people as a whole, and will produce in Canada in 1925 a boom such as we have not seen for a number of years.

On motion of Mr. Motherwell the debate was adjourned.

On motion of Mr. Graham the House adjourned at 11.29 p.m.

Wednesday, May 7, 1924

The House met at three o'clock.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

Mr. F. S. CAHILL (Pontiac) presented the fourth report of the select standing committee on Railways, Canals and Telegraph Lines as follows:

Your committee have considered the following bills and have agreed to report the same without amendment:

Bill No. 32, an Act respecting the construction of a Canadian National Railway line between Sunnybrae and Guysborough in the province of Nova Scotia.

Bill No. 63, an Act respecting the construction of a Canadian National Railway line between Lockeport station and the town of Lockeport in the province of Nova Scotia.

Bill No. 64, an Act respecting the construction of a Canadian National Railway line from the end of the China Clay branch to St. Remi d'Amherst, in the province of Quebec.

OLD AGE PENSIONS

Mr. W. G. RAYMOND (Brantford) presented the first report of the special committee appointed to make inquiry into an old age pension system for Canada, recommending that they be given leave to have the proceedings of the committee printed from time to time when deemed advisable, and that rule 74 be suspended in relation thereto.

On motion of Mr. Raymond the report was concurred in.

UNITED CHURCH OF CANADA

Petitions were presented from certain members of the following congregations, severally praying that the proposed legislation incorporating the United Church of Canada be not enacted:

Avondale Presbyterian Church, Tillsonburg; Knox Presbyterian Church, Norwich.—Mr. Sutherland.

St. David's Presbyterian Church, Campbellville.—Mr. Anderson.

St. Andrew's Presbyterian Church, Guelph; St. Paul's Presbyterian Church, Guelph; Presbyterian Church of Salem; Knox Presbyterian Church, Elora; St. Andrew's Presbyterian Church, Village of Fergus.—Mr. Guthrie.

John Street Presbyterian Church, Belleville; St. Andrew's Presbyterian Church, Belleville.—Mr. Porter.

Zion Presbyterian Church, Hull, Quebec; Knox Presbyterian Church; Glebe Presbyterian Church; Chalmers Presbyterian Church; St. Andrew's Presbyterian Church; Erskine Presbyterian Church; Bethany Presbyterian Church; Stewarton Presbyterian Church, all of Ottawa.—Mr. McGiverin.

First Presbyterian Church, Chatham; St. Andrew's Presbyterian Church, Chatham.—Mr. Murdock.

St. Andrew's Presbyterian Church, Stratford; Atwood Presbyterian Church.—Mr. Rankin.

Avonmore Presbyterian Church; St. Andrew's Presbyterian Church, Martintown.—Mr. Kennedy (Glengarry and Stormont).

St. Andrew's Presbyterian Church, Creemore; Presbyterian Church, Dunedin; Presbyterian Church of Nottawasaga.—Mr. Ross (Simcoe).

Division Street Presbyterian Church, Owen Sound; Erskine Presbyterian Church, Meaford; Knox Presbyterian Church, Owen Sound; Union Presbyterian Church, Owen Sound.—Mr. Duncan.

St. James Presbyterian Church, Yarmouth, Ontario.—Mr. Stansell.

Dunnville Presbyterian Church, Ontario.—Mr. Senn.

St. Andrew's Presbyterian Church, Lindsay, Ontario.—Mr. Thurston.

Kew Beach Presbyterian Church, Toronto.—Mr. Harris.

St. Paul's Presbyterian Church, Lakeport; St. Andrew's Presbyterian Church, Cobourg.

St. Andrew's Presbyterian Church, Colborne; Hastings Presbyterian Church.—Mr. Maybee.

Vista Presbyterian Church, Manitoba.—Mr. Hudson.

St. Paul's Presbyterian Church, Sault Ste. Marie; St. Andrew's Presbyterian Church, Sault Ste. Marie.—Mr. Simpson.

Knox Presbyterian Church, Cannington.—Mr. Halbert.

Morningside Presbyterian Church, Swansea; Long Branch Presbyterian Church; Old Presbyterian Church, of Weston.—Sir Henry Drayton.

Prescott Presbyterian Church; Cardinal Presbyterian Church; St. Andrew's Presbyterian Church, Barrie; Simcoe St. Paul's Presbyterian Church; Bradford Presbyterian Church.—Mr. Boys.

Knox Presbyterian Church, of Port Elgin.—Mr. Malcolm.

Bristol Brick Presbyterian Church, Wyman, Quebec.—Mr. Cahill.

Central Presbyterian Church, Galt; St. Andrew's Presbyterian Church, Hespeler.—Mr. Elliott (South Waterloo).

Arnprior Branch of the Presbyterian Women's League; St. Andrew's Presbyterian Church, Renfrew; St. Andrew's Presbyterian Church, Arnprior; Oxford Mills Presbyterian Church.—Mr. Low.

St. Andrew's Church and Chalmers Church, both of Quebec; St. Andrew's Church of Levis, and the Presbyterian Church of Charny.—Mr. Power.

St. Matthew's Church of Montreal, in connection with the Presbyterian Church in Canada.—Mr. Walsh.

Knox Presbyterian Church, Belmont.—Mr. Hodgins.

Westboro Presbyterian Church, Ottawa; St. Andrew's Presbyterian Church, of Carp.—Mr. Garland (Carleton).

St. Andrew's Presbyterian Church; Alexandria Presbyterian Church, Brantford.—Mr. Good.

Magnetawan Presbyterian Church, Ontario.—Mr. Arthurs.

Knox Presbyterian Church, Port Dover, Ontario.—Mr. Wallace.

Emmanuel Presbyterian Church, Cowan Avenue Presbyterian Church, Rosedale Presbyterian Church, all of Toronto.—Mr. Sheard.

Westminster Presbyterian Church; Knox Presbyterian Church; St. Andrew's Presbyterian Church; St. Paul's Presbyterian Church; Central Presbyterian Church; Erskine Presbyterian Church; St. John's Presbyterian Church; McNabb St. Presbyterian Church, Hamilton.—Mr. Stewart (Hamilton).

St. John's Church, and First Presbyterian Church, of Brockville; St. Andrew's Presbyterian Church, Gananoque; Lansdowne Presbyterian Church; Chalmers Presbyterian Church, Cooke's Presbyterian Church, St. Andrew's Presbyterian Church, all of Kingston, Ont.—Mr. Ross (Kingston).

Cobden and Wolftown Presbyterian Church; Calvin Presbyterian Church; Alice and Petawawa Presbyterian Church, all of Pembroke; Calvin Presbyterian Church, Pembroke; Beachburg Presbyterian Church.—Mr. McKay.

Davenport Road Presbyterian Church; College St. Presbyterian Church; Eglinton Presbyterian Church; North Broadview Presbyterian Church; Oakwood Presbyterian Church; West Presbyterian Church; St. James Square Presbyterian Church; St. Columbia Presbyterian Church; Westminster Presbyterian Church; St. Paul's Presbyterian Church; Alhambra Presbyterian Church; Dale Presbyterian Church; Knox Presbyterian Church; Old St. Andrew's Presbyterian Church; Bloor St. Presbyterian Church; Deer Park Presbyterian Church; Victoria Presbyterian Church; St. David's Presbyterian Church; Glebe Presbyterian Church; Riverdale Presbyterian Church; Avenue Road Presbyterian Church; Cook's Presbyterian Church; Dovercourt Road Presbyterian Church; Royce Avenue Presbyterian Church, all of Toronto.—Mr. Church.

Knox Presbyterian Church, of St. Mary's, Ontario.—Mr. Forrester.

Dufferin Presbyterian Church, Toronto.—Mr. Spence.

Presbyterian Church of Lucknow, Ontario.—Mr. Findlay.

St. Paul's Presbyterian Church, Vancouver, B.C.,—Mr. Clark.

Knox Presbyterian Church, Port Arthur, Ontario,—Mr. Kennedy (Port Arthur and Kenora).

Petitions were presented from certain members of the following congregations and bodies severally praying that the bill now before the House to incorporate the United Church of Canada be passed during the present session:—

Quarterly Official Board of the Ashfield Methodist Circuit.—Mr. King (Huron).

Methodist congregation of Sussex, N.B.—Mr. Caldwell.

Presbyterian congregation of Merivale.—Mr. Garland (Carleton).

James Williams and others of Springfield.—Mr. Stansell.

Shawville Methodist Church.—Mr. Cahill.

Copper Cliff, Ontario.—Mr. Lapierre.

Kerrisdale Presbyterian Congregation, Vancouver, B.C.; Tolmie Street Methodist Congregation, Vancouver, B.C.; Mount Pleasant Methodist Congregation, Vancouver, B.C.—Mr. Ladner.

Colbourne Street Methodist Church, London; First Congregational Church of Hamilton, Seagrave; Methodist Churches at Brooke Township and Bethesda; Methodist Church at Innerkip; Methodist Church at Dorchester; Methodist Church at Smithville; Congregational Church at Guelph; Union Church at Powassan; Union Church at Douglas, Manitoba; Session of Knox Church, Owen Sound; Presbyterian Church at Mono Mills; Methodist Church, Fenelon Falls; Norfolk Street Methodist Church at Guelph; Methodist Church in Paisley; Elderton Methodist Church, London District; Birr Methodist Church, London District; Methodist Congregations at Verona, Bellrock and Godfrey; Glenmount Methodist Church, Toronto; Bathurst Street Methodist Church, Toronto; First Presbyterian Church School, London; St. Andrew's Church, London; St. James Presbyterian Church, London; First Presbyterian Church, London; Presbyterian, Methodist and Congregationalists, London; Methodist Churches at Dunsford, Bryanston and Ebenezer.—Mr. Pritchard.

Methodist Churches at Westover, Sheffield and Rockton; Tomlinson Methodist Church at Humberside; Southern Congregational Church, London; Congregational Churches at New Durham and Burford; Sherbourne Street Methodist Church, Toronto; Methodist Churches at Bronte, Palermo; Methodist Churches at Auburn and Westfield; Methodist Church at Chatham; Methodist Church at Stouffville; United Churches at Cobalt who have had a Union of the Presbyterian, Methodist Congregations; S. N. Fripp and 80 others of Forest; Congregational Church at North Plympton; Methodist Churches at Grand Bend; Methodist Church at Wooler; Methodist Congregation at Louisville Circuit, Chatham Township; Methodist Churches at Denbigh and Vennachar; Kingsville Methodist Church; Methodist Church at Watford, East Lambton; Methodist Church at Mount Albert.—Mr. Woods.

Kirkton Methodist Church, Perth county; Knox Presbyterian Church at Shelburne; Argyle and Knox Presbyterian Congregations at West Lorne and Ciman; Methodist Church at Wiarton and Ottewell; Methodist Churches at Ebenezer, Sheppardton and Nile; Methodist Churches at Kinloss, Bervie and Purple Grove; Methodist Church at Westwood; Chalmers Presbyterian Church at Woodstock, Methodist Church at Delaware; Avenue Road Presbyterian Church at Toronto; Methodist Church at Napanee; Methodist Church at Thorndale; United Churches at Gravenhurst; Methodist Church of Westport. Official Board of the Methodist Church at Jordon Station; Members and Elders of the Board of Management of the United Presbyterian and Methodist Churches at Claremont; Methodist Church at Harrow; Childerhose Memorial Presbyterian Church at Depot Harbour; Methodist Churches at Pickering and Audley; Simpson Avenue Methodist Church at Toronto; Methodist Church at Amherstburg; Earlscourt Methodist Church, Toronto.—Mr. Sexsmith.

Reverend Charles A. Pekin of Glenallan; Methodist Church at Londesboro; Methodist Church at Lions Head; United Church at Kenville, Man.; United Churches at Table Butte, Stavely and Parkland; Union Church at Vanscoy, Sask.; Methodist Industrial School at Brandon, Manitoba; Methodist Churches at Howard, Stoughton and Walton; Presbyterian Church in Carroll and Nesbitt; Union Church at Cypress River, Manitoba; Union Church at Moline, Manitoba; Union Church at Plumas, Manitoba;

United Church at Deloraine, Manitoba; Union Congregations at Kentville, Harlington and Thunderhill; Union Congregation at Sheguiandah; Quarterly Official Board of the Methodist Church, Souris, Manitoba; United Church at Sperling, Manitoba; Methodist Church at Oil Springs, Ontario; Presbyterian Church at Roseisle.—Mr. Good.

Methodist Church at Heathcote; Methodist Church at Alton; Methodist Church at Flesherton, Ontario.—Mr. Spencer.

Wesley Methodist Church, Chesley, Ontario; Methodist Church at Shelburne, Ont; Broadview Congregational Church, Toronto, Ontario.—Mr. Sexsmith.

Methodist Church at Kemble, Ontario; First Methodist Church at St. Catharines, Ontario; Chalmers' Congregation at Kingston; Presbyterian Church at Wyevale; Methodist Church at New Liskeard, Ontario; Methodist Church at Malton, Ontario; Queen Street Methodist Church, Kingston, Ontario; Churches at Waldemar, Laurel and Blacks Corners, Ontario; Methodist Church at New Toronto, Ontario; Clinton Street Methodist Church, Toronto, Ontario; Princess Street Church at Kingston, Ontario; Union Church at Portsmouth, Ontario; Methodist Church at Brighton, Ontario; Methodist Churches at Morrish and Wesleyville.—Mr. Spencer.

Sharon Methodist Church, Delaware Township, Ontario; Byron Church, London, Ontario; Queen Street Methodist Church at Toronto, Ontario; Broadway Tabernacle, Toronto, Ontario; Methodist Church at Putnam, Ontario; Members of Grove, Zion and Siloam Methodist Congregations, Siloam Circuit, Ontario; Robinson Memorial Methodist Church, London, Ontario; Presbyterian Church at Callander; St. Andrew's Presbyterian Church at Mattawa; Methodist Congregation at Zion (Drayton), Ontario; Methodist Churches at Keene, Bethel and Zion, Ontario; Presbyterian Churches at Westwood and Keene; United Church at Alma Heights, Lefroy Township, Ontario; Zion Church at Thessalon, Ontario; Methodist Churches at Sulphide, Actinolite and Potter's Settlement; North Street Methodist Church, London, Ontario; Askin Street Methodist Church, London, Ontario; First Methodist Church, London, Ontario; Belmont Methodist Church, Belmont, Ontario; Westminister Methodist Church, London District, Ontario.—Mr. Findlay.

F. T. Shaver and others of Aultsville and other places.—Mr. Elliott (Dundas).

Presbyterian Church, Carberry, Man.; Westminster Presbyterian Church, Winnipeg, Man.; Methodist Church, Arden, Man.; Methodist Church, Miami, Man.; Presbyterian Church, at Scotia; Congregational Church, Brantford, Ont.; Methodist Church, Roland, Man.; Victoria Methodist Church, Calgary, Alta.; of Rev. P. F. Langill and 32 others, of Burnside, Manitoba; Methodist Church at Burnside and Macdonald; United Church at Milden, Sask.,—Mr. Hudson.

Belmont Methodist Circuit, Ontario; Congregational Church at Forest, Ontario; Methodist Churches at St. Johns, Melrose and Hyde Park, Ontario; Lincoln Road Methodist Church, Walkerville, Ontario; Marten Presbyterian Church, Marten; Congregational Church at Barrie, Ontario; Union Church, Lyleton, Man.; Westside Methodist Church, Owen Sound, Ontario; Methodist Church, Wellington, Ontario; Presbyterian Church, St. Andrews, Winnipeg, Man.; Union Church, Halkirk, Alberta; Wesley Methodist Church, Clinton, Ontario; United Church at Sintaluta, Sask.; Danforth Ave. Methodist Church, Toronto, Ontario; Presbyterian Church, Wetherhill, Sask.; Methodist Churches at Strafford-ville, Eden and Guysboro and Eden, Ontario; Zion Methodist Church of Ashfield Township, Lucknow, Ontario; Presbyterian Church at Abbotsford, B.C.,—Mr. Stansell.

Methodist Church, Park Hill, Ont.; Methodist Church, Michel, B.C.; Methodist Church, Irma; United Church, Bow Island; Presbyterian Church, Stoughton, Steward and Hillhurst; Maclean Methodist Mission, Manitoba; Rosedale Methodist Church, Winnipeg, Man.; Union Church, Glenboro; Union Church, Forestburg, Alberta; Methodist Church, Fairlight, Sask.; Mount Pleasant Presbyterian Church, Omemee, Ontario; Central Methodist Church, Kleinburg and Nobleton, Ontario; Methodist Church, Walton, Ontario; United Church, Alexander, Man.; United Church, Waskada, Manitoba; Methodist Church, Bright and Bethel, Ontario; Presbyterian Church, Emo, Ont.; Methodist Church, Verdun, Quebec; Presbyterian Church Russeltown, Quebec, Union Church at Coveyhill, Quebec; Union Church, Wadena, Sask.; Carleton Street Methodist Church, Toronto, Knox Presbyterian Church, Saskatoon, Sask.; Methodist Church at Laurel, Ontario; Parkdale Methodist Church, Toronto, Ontario; Presbyterian Church, Graysville, Man.; Gerrard Street Methodist Church, Toronto, Ontario—Mr. Hammell.

Union Church at Elgin, Manitoba; Methodist Church at Omemee, Ontario; Methodist Church, Uxbridge District, Ontario; Westminster Presbyterian Church, Saskatoon, Sask.; United Church at Kenmay; Methodist Church in the Orton Circuit; Crediton and Ailsa Craig Circuit of the Methodist Church at Crediton, Ontario; Presbyterian Church at Priceville, Sask.; Methodist Church at Wakefield and Masham, Que.; Union Church at Bowden, Alberta; Methodist Church at Whitby, Ont.; Methodist Church at Innisfree, Alberta; United Church at Merna, Alberta; Methodist Church at Silverdale and Centenary; Presbyterian Congregations at Dummer, Wagner and Truax Presbytery, Weyburn, Sask.; Knox Presbyterian Church at Mitchell, Ont.,—Mr. Garland (Carleton).

Methodist Church at Sherbrooke, Quebec; Presbyterian Union Church at Sturgeon Falls and Cash Bay; Methodist Church at Beeton, Ontario; Methodist Church on Oil City Circuit, Ontario; St. Andrew's Presbyterian Church at Sault Ste. Marie, Ontario; United Presbyterian and Methodist Congregation at South River, Ontario; Methodist Church at Mervale, Ontario; Union Churches at Emsdale, Ontario; Methodist Church at Cannifton, Ontario; Union Church at Delburne, Alta.; Methodist Congregation at Stirton, Goshen and Goldstone, Ontario; Union Church at Bowsman; Union Church, Togo, Sask.; Methodist Churches at Huttonville and Churchville; Union Church at Kelwood, Manitoba; Methodist Church on the Bath Circuit; Napanee District; Bartonville Congregation of Bartonville Church; of the Stone Church Congregation at Barton Township and Burkholder Church at Barton Township; Hyatt Avenue Methodist Church at London, Ontario,—Mr. Wallace.

Methodist Church at Lambeth, Ontario,—Mr. Hammell.

Presbyterian Church, New Mills, N.B.; Methodist Church at Maidstone, Ontario; Knox Presbyterian Church, Galt, Ontario; Grace Methodist Church at Essex, Ontario; Knox Presbyterian Church at London, Ontario; Eastern Methodist Church at Ottawa, Ontario; Methodist Churches at Bethel, St. Lawrence and Maple Grove, Ontario; Presbyterian Church at Springside, N.S.,—Mr. Hatfield.

Methodist Church at Belwood, Ontario; Union Church, Kisbey; Union Church, Bulyea, Sask.; St. Paul's Methodist Church Walkerton, Ontario; Methodist Church, Milverton, Ontario; First Presbyterian Church, Camrose, Alta.; Methodist Churches at King, Laskey and Teston, Ontario; Union Church, 365 Delisle street, Montreal, Que.; Presbyterian Church, Madawaska; George Street Methodist Church at Collingwood, Ontario,—Mr. Hammell.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

SALES TAX COLLECTIONS

Sir HENRY DRAYTON:

1. What was the total amount of sales taxes collected in each province in each of the years 1922 and 1923?

2. What was the cost of collection of such taxes in each province?

3. What is the number of firms and individuals by provinces who have not paid sales taxes and what the amounts due by provinces, on the first of February, 1924?

4. What steps have been taken to collect such taxes from firms in default, if any?

Hon. Mr. BUREAU:

1. Sales Tax Collected in Each Province during the Calendar Years 1922 and 1923

Province	1922		1923	
	Imported goods	Domestic goods	Imported goods	Domestic goods
	$ cts.	$ cts.	$ cts.	$ cts.
Nova Scotia	546,880 52	955,186 57	632,480 09	1,244,680 09
New Brunswick	614,824 13	911,356 09	698,885 86	1,141,507 90
Prince Edward Island	37,613 66	66,378 21	34,601 33	71,944 27
Quebec	6,871,770 90	17,121,086 42	9,004,581 40	23,827,120 62
Ontario	12,292,828 22	29,472,408 72	16,245,604 01	37,032,514 32
Manitoba	1,506,506 21	2,923,849 22	1,857,930 58	3,476,140 94
Saskatchewan	377,700 87	803,207 48	540,378 29	984,835 74
Alberta	390,231 95	1,194,120 92	573,078 48	1,532,540 69
British Columbia	2,212,945 78	2,753,554 10	2,746,353 37	3,483,430 79
Yukon	20,545 73	1,332 50	21,214 68	2,146 36

2. It is not possible to state separately the cost of collection of sales tax as distinguished from other taxes and duties collected by the Department of Customs and Excise.

3. It is not possible to state the amount of sales tax due by provinces, as at 1st February, 1924, as audits have not been completed to that date.

Provinces	Total arrears three months and under	Total arrears over three months	Grand total
Nova Scotia	36	103	139
Prince Edward Island		8	8
New Brunswick	14	14	28
Quebec	377	870	1,247
Ontario	169	938	1,107
Manitoba	25	156	181
Saskatchewan	21	75	96
Alberta	15	78	93
British Columbia	47	224	271
	704	2,466	3,170

Of the 2,466 firms and individuals in arrears of sales tax for a period of over three months, 431 are retail bakers and confectioners who have refused to pay sales tax pending the decision of the Supreme Court in the case of Rex vs. Versailles Sweets; 442 are cases of firms and individuals in liquidation; 363 firms and individuals are paying arrears by instalments and prosecutions have been entered in 463 cases.

In the balance of the cases the department is corresponding with the firms and individuals concerned with a view to making satisfactory arrangements for payment of arrears before legal action is taken.

These latter cases require nursing as drastic action would probably result in financial failures.

4. In default of satisfactory arrangements for payment of arrears legal action is taken.

STAMP TAX COLLECTIONS

Sir HENRY DRAYTON:

How much money was collected under the stamp tax on cheques, notes, drafts, bills of exchange, statements of overdrafts, money orders and receipts (a) during the months of November to March, inclusive, of the fiscal year 1922-23 and (b) during the same period of the fiscal year 1923-24?

Hon. Mr. COPP:

Department of Customs and Excise—November 1, 1922 to March 31, 1923, $2,530,696,-35; November 1, 1923 to March 31, 1924, $3,801,004.10.

Post Office Department—Proceeds of stamp tax on money orders:

(a) $101,286.08; (b) $113,485.76.

CANADIAN NATIONAL RAILWAYS—ADVANCES

Mr. RYCKMAN:

What amount of money, including guarantees, has been advanced by the government in excess of revenue for all purposes on account of the National Railways, including Canadian Northern and Grand Trunk systems and all subsidiaries, since they have been under government control (also including the Intercolonial Railway for same period) and including both revenue and capital account, in each fiscal year up to March 31, 1924?

Hon. Mr. GRAHAM:

ADVANCES AND GUARANTEES BY DOMINION GOVERNMENT

From September 30, 1917 to March 31, 1924

Canadian Northern Railway Company

Fiscal Year		Cash Advances	Description	Guarantees		Total
				Maturity Date	Amount	
	$ cts.	$ cts.			$ cts.	$ cts.
1917-18		25,000,000 00				25,000,000 00
1918-19		25,000,000 00	C.N.R. 5% Notes "A"	Aug. 2, 1921	*9,733,333 34	
			C.N.R. 5% Notes "B"	" 2, 1921	*8,030,000 00	
		13,951,328 28				56,714,661 62
1919-20	35,000,000 00		C.N.R. 5% Notes "C"	April 5, 1922	*5,109,026 67	
	23,362,212 73		C.N.R. 5½% Notes	Dec. 1, 1922, $6,000,000.	*12,000,000 00	
		58,362,212 73		Dec. 1, 1924, $6,000,000.		75,471,239 40
1920-21	48,611,077 00		C.N.R. 7% Bonds	Dec. 1, 1940	†25,000,000 00	
	15,503,426 34					
		64,114,503 34				89,114,503 34
1921-22	24,500,000 00		C.N.R. 6½% Bonds	July 1, 1946	25,000,000 00	
	7,417,846 05		C.N.R. 5% Bonds	May 1, 1925	11,000,000 00	
	12,501,960 37					
	1,725,723 30					
		46,145,529 72				82,145,529 72
1922-23	42,800,000 00					
	2,315,805 79					
		45,115,805 79				45,115,805 79
1923-24		14,831,080 13				14,831,080 13
Total		292,520,459 99			95,872,360 01	388,392,820 00
					29,079,360 01	29,079,360 01
Position at March 31, 1924		292,520,459 99			66,793,000 00	359,313,459 99

*Less guarantees paid off.
†Partly paid off.

ADVANCES AND GUARANTEES BY DOMINION GOVERNMENT

From March 9, 1919 to March 31, 1924

Grand Trunk Pacific Railway

Fiscal Year	Cash Advances
	$ cts.
1919–20	13,376,894 93
1920–21	21,214,848 18
1921–22	10,501,992 52
1922–23	12,344,674 55
1923–24	1,097,071 14
	58,535,481 32

ADVANCES AND GUARANTEES BY DOMINION GOVERNMENT

From December 31, 1919 to March 31, 1924

Grand Trunk Railway Company

Fiscal Year	Cash Advances	Guarantees		Total
		Description	Amount	
	$ cts.		$ cts.	$ cts.
1920–21	25,000,000 00	G.T.R. 7 per cent bonds	25,000,000 00	50,000,000 00
1921–22	55,293,435 18	G.T.R. 6 per cent bonds	25,000,000 00	80,293,435 18
1922–23	23,288,747 15	.....	.....	23,288,747 15
1923–24	5,015,198 04	.....	.....	5,015,198 04
	108,597,380 37		50,000,000 00	158,597,380 37

NOTE.—The interest on the following securities is guaranteed by Dominion government under G. T. Ry. Acquisition Act 1919.

G.T.R. 4 per cent Guaranteed Stock	£12,500,000 or	$ 60,833,333 33
G.T.R. 4 per cent Perp. Cons. Deb. Stock	24,624,455 or	119,839,014 33
G.T.R. 5 per cent Gt. West. Bor. Cap. Stock	2,723,080 or	13,252,322 67
G.T.R. 5 per cent G.T. Borr. Cap. Stock	4,270,375 or	20,782,491 67
G.T.R. 4 per cent Northern Deb. Stock	308,215 or	1,499,979 67
		216,207,141 67

CANADIAN NATIONAL RAILWAY COMPANY

Successor by amalgamation to Grand Trunk Ry. Co.

	Guarantees	
	Description	Amount
		$ cts.
1923–24	C.N.R. 5 per cent Equipment bonds	22,500,000 00
	C.N.R. 5 per cent bonds	50,000,000 00
		72,500,000 00

MR. SANFORD EVANS

Mr. HAMMELL:

1. Was Sanford Evans, of Winnipeg, employed at any time by the Dominion government during the last twelve years?

2. If so, by whom, and under which department of the Dominion government?

3. What services did he render, and in what capacity did he work?

4. What remuneration, salary or wage did he receive in toto from the Dominion government?

Hon. Mr. KING (Kootenay):

Department of Public Works—

1. Yes.

2. By commission under order in council of March 18, 1914, and under supervision of Department of Public Works.

3. He was employed as chairman of the Georgian Bay Ship Canal Commission which reported on the economic and other advantages of the proposed Georgian bay ship canal.

4. $18,130.

Department of Marine and Fisheries—

1. Yes.

2. (a) Royal commission dated 2nd July, 1917; (b) Department of the Naval Service (Fisheries branch).

3. Comissioner and chairman "Special Fishery Commission, 1917."

4. $2,925.

CANADIAN NATIONAL RAILWAYS—RADIO BROADCASTING STATIONS

Mr. HANSON:

1. What amount has been expended to the 31st of March, 1924, by the Canadian National Railway Company for radio broadcasting stations and equipment?

2. Has such amount been charged to capital expenditure?

3. If so, under what authority and from what moneys was the sum taken and what vote of parliament?

4. From whom was such radio equipment purchased, were tenders called for and were purchases made by tender or otherwise from the Northern Electric Company?

Hon. Mr. GRAHAM:

1. $21,941.12.

2. Yes.

3. This expenditure was authorized by vote of parliament No. 139.

4. The broadcasting station at Ottawa was erected under contract, with the Northern Electric Company, it being considered to the best interests of the Canadian National Railways to have this firm undertake this work. Other radio equipment and supplies have been purchased from the following companies:

Beatty Bros., Montreal.

Bartram, Robt. W., Montreal.

Continental Equipment Co., Ltd., Montreal.

Canadian General Electric Co., Ltd., Montreal.

Devoe Switch Co., Montreal.

Hart Battery Co., Montreal.

Jack, James, Co., Montreal.

Millen, John and Sons, Montreal.

Myers, F. B., Ltd., Montreal.

Munderlich and Co., Montreal.

Marconi Wireless Telegraph Co. of Canada, Montreal.

[Mr. Hammell.]

Northern Electric Co., Ltd., Montreal.

Phillips Electrical Co., Eugene F., Montreal.

Radio Ltd., Montreal.

Radio Distributors, Montreal.

Steel Co. of Canada, Ltd., Toronto.

Canadian Independent Telephone Co., Toronto.

De Forest Radio Corporation, Ltd., Toronto.

In all cases where practical the purchasing department called for bids, the business being distributed to the best advantage of the company.

MEMBERS' STENOGRAPHIC SERVICE

Mr. SEGUIN:

1. What are the names of those who, with the exception of the stenographers and typwriters at the service of members, are employed, in connection with that branch, as chief, assistant chief, messenger, etc., and what are their respective salaries?

2. Are there any who are bilingual? If so, what are their names and salaries?

3. Who are those who, among the chief, assistant chief, and messengers of said branch, are in receipt of a yearly salary?

4. How many employees come under the said chief and assistant chief during recess and what are their names and salaries?

Right Hon. Mr. MACKENZIE KING:

1. J. H. Smith, $2,880 per year; no assistant chief; Leonard Hill, desk clerk, $4 per day; W. Copping, junior clerk, $3 per day; A. Fisher, messenger, $2.50 per day; A. Chene, page-messenger, $1.75 per day.

2. Two: W. Copping and A. Chene.

3. One: the chief.

4. Two: Miss M. E. McEwen, and Mrs. Garneau, at $4 per day.

CANADIAN NATIONAL RAILWAYS—PRINCE RUPERT TOWNSITE

Hon. Mr. STEVENS:

1. How many lots in the Prince Rupert townsite are owned by the Canadian National Railways?

2. How many of the said lots, if any, have been sold during the past two years?

3. To whom and at what price have said lots been sold?

Hon. Mr. GRAHAM:

1. 37.

2. 9.

3. Messrs. S. E. Parker, Chas. K. Ytreberg, J. J. T. Collart, H. F. Wearmouth, John Dybham, and Mary E. Gordon, $7,450.

PICTOU COAL PIER

Mr. JONES:

1. What was the cost of dredging operations at the coal pier at Pictou landing during the year 1923?

2. Is said pier a public wharf?

3. If not, by whom is it owned and used?
4. If said coal pier is a private wharf was the cost of said dredging paid by the owners and if so, to whom was the money paid?

Hon. Mr. KING (Kootenay):

1. $13,262.02.
2. No.
3. Owned and used by The Acadia Coal Company.
4. Dredging was done at government cost.

PICTOU HARBOUR DREDGING

Mr. JONES:

1. What was the cost of dredging operations performed by contract at Pictou harbour, Pictou, Nova Scotia, during the year 1923?
2. What was the cost of dredging operations performed by the Public Works Department's dredges at Pictou harbour, Pictou, Nova Scotia, during the same year?

Hon. Mr. KING (Kootenay):

1. $16,185.93 for dredging at C. N. R. wharf. $13,262.02 for dredging at Acadia Coal Company's wharf.
2. Departmental dredge "Fielding" worked all season of 1923 dredging channel at entrance to harbour through Cole Point shoal and Murdock shoal at a cost of $101,259.21.

ABERCROMBIE DREDGING

Mr. JONES:

1. Has the contract been awarded for dredging at Abercrombie in the county of Pictou, Nova Scotia?
2. If so, to whom has the contract been awarded?
3. What is the amount of the contract and what is the rate per cubic yard?
4. Were tenders called for?
5. If so, was the lowest tender accepted?
6. What other tenders were received and what were the amounts?

Hon. Mr. KING (Kootenay):

1. No, but tenders will be called for shortly.
2, 3, 4, 5 and 6. Answered by No. 1.

ST. GEDEON STATION POSTMASTERSHIP

Mr. DOUCET:

1. Has the postmaster at St. Gédéon station in the electoral district of Chicoutimi-Saguenay been dismissed?
2. If so, for what reason?
3. Who is the newly appointed postmaster and by whom was he recommended?
4. Have complaints been received against this postmaster since January, 1924, and from whom?
5. What is the nature of these complaints?
6. How many were applicants for the postmastership and what are their names?

Hon. Mr. STEWART (Argenteuil) (for the Postmaster General):

1. Yes.
2. Active political partisanship.
3. Léandre Tremblay—recommended by Doctor Edmond Savard, M.P.
4. No.
5. See 4.
6. No applications received.

SOLDIER SETTLEMENT BOARD

Hon. Mr. STEWART (Argenteuil): On the 28th April a question asked by the hon. member for Bow River (Mr. Garland) was partly answered. A return from the Department of the Interior was not put in, and I desire now to finish the information.

Mr. GARLAND (Bow River):

1. How many quarter-sections of Dominion or Crown lands were turned over to the Soldier Settlement Board, free, in Manitoba, Saskatchewan and Alberta?
2. What price was paid by the soldier-settler to the board for such lands in each of the prairie provinces?

Hon. Mr. STEWART (Argenteuil):

1. (a) Dominion lands transferred (patented) by Department of Interior to the Soldier Settlement Board of Canada under section 27 of the Soldier Settlement Act. (Salvage cases).

Province	No. quarter-sections and parts thereof	No. of acres approximate
Manitoba	182	29,120
Saskatchewan	157	25,120
Alberta	316	50,560
British Columbia	27	4,320

(b) Dominion lands transferred (patented) by Department of Interior to the Soldier Settlement Board of Canada under Order in Council P. C. 1821, dated 4th June, 1921, (at request of settler).

Province	No. quarter-sections and parts thereof	No. of acres approximate
Manitoba	123	19,680
Saskatchewan	367	58,720
Alberta	250	40,000
British Columbia	23	3,680

(c) Dominion lands reserved by Department of Interior for the purposes of the Soldier Settlement Act under authority Order in Council P. C. 2,659, dated 30th October, 1918.

Province	No. quarter-sections and parts thereof	No. of acres approximate
Manitoba	1	56.16
Saskatchewan	220	33,480.1
Alberta	311	47,473.75
British Columbia		

(d) Dominion lands reserved (unpatented) by Department of Interior for the Soldier Settlement Board of Canada. (Approximate area).

Porcupine Forest Reserve (Saskatchewan), 221,175 acres.

Riding Mountain Forest Reserve (Manitoba), 172,200 acres.

(e) Dominion lands covered by Soldier Grant entries. (Approximate area), 1,333,280 acres.

2. This information to be furnished by the Soldier Settlement Board.

UNOPPOSED MOTION FOR PAPERS

ST. GEDEON STATION POSTMASTERSHIP

Mr. DOUCET:

For a copy of all correspondence, telegrams and other documents exchanged between the Post Office Department, the Civil Service Commission and all other persons since January 1st, 1921, to date, on the dismissal of the postmaster at St. Gédéon station, Quebec, and the nomination of a new postmaster. Also copies of the investigation that was held, and of the report of the investigators, as well as copies of applications made to the Civil Service Commission for the said postmastership, and all petitions and certificates given in favor of or against any of the applicants.

ANTI-DUMPING REGULATION

On the Orders of the Day:

Mr. A. B. HUDSON (South Winnipeg): I should like to ask the government if any order in council has been passed cancelling the 5 per cent allowance in the anti-dumping law, and if so, why?

Hon. JACQUES BUREAU (Minister of Customs and Excise): This is a matter that is dealt with not by the Governor-in-Council, but by the department. The regulation is a departmental one. The Minister of Customs is the party who suspended the regulation on the 8th April. This regulation was made on the 24th August, 1914. Since the regulation has been passed, a good many protests have been lodged with the department, and in view of the fact that the Department of Customs is now preparing legislation providing for the appointment of a board whose duty it will be to make a special study of taxation, and who will act as advisers to those who are to administer the tax laws as well as to those who are to make them, we have seen fit to suspend the suspension and the old regulation remains in force. But I want to emphasize the fact that the idea which seems to have gone out, that this is a governmental measure, is erroneous. It is not; it is departmental, and your humble servant is the sole and only responsible party. He has no apology to make either.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Is this new board that is to advise on taxation also to advise the government with respect to tariff schedules?

Mr. BUREAU: When the bill is brought down, it will specify the duties and powers of the board.

[Mr. C. A. Stewart.]

Mr. MEIGHEN: I would suggest to the minister that he let his memory go as far back as 1912.

Mr. BUREAU: What for?

Mr. MEIGHEN: He might find some interesting speeches of his own about that time.

Mr. BUREAU: In the House?

Mr. MEIGHEN: Yes.

Mr. BUREAU: I have nothing to take back. They are all right if I made them.

THE BUDGET

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

The House resumed from Tuesday, May 6, the debate on 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 Mr. Woodsworth.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker this budget has now been before the House for almost the last three weeks with no visible effect except to demonstrate more and more its general acceptability by the Canadian people as the days of the weeks go by. By some parties it is referred to as a low tariff budget, by others it is spoken of as the Robb budget, while others again speak of it as a Progressive budget. I think myself that the larger portion of its friends refer to it as a real Liberal budget, with the accent strongly on the word "real"—a real Liberal budget. You will observe, however, that no one thus far has ever thought of designating it a Tory budget. Mark that. Now, I think we can all sense in the not-too-far-distant future a battle on the tariff. We are lining up our forces for it, and it is well that the issue should be plain; for it is better that we should know exactly what we are fighting about and that the battle line should be clearly defined. So that, whatever else the budget has done, it has certainly effected a distinct cleavage between the low tariff and the higher tariff forces in Canada.

Before entering upon the budget proper I beg to refer very briefly to the environment, the setting in which parliament met on February 29. Prior to that and since the last prorogation our Conservative friends were engaged actively in strong propaganda for the purpose of convincing the people of Canada

that this government was not very much good and that it should be replaced by themselves; they said that we were impotent and incapable of doing things. The people were told that on one side of the government was a hostile Senate and on the other a not-too-friendly Civil Service Commission; and that with no majority in the House nothing could be hoped for. That was the impression that was conveyed by hon. gentlemen opposite. Unless some of us have forgotten the kind of propaganda that was engaged in to spread distrust and suspicion among the electors, and in case the House may have forgotten what took place during the recess I will refer to a few passages from speeches made by the right hon. the leader of the opposition (Mr. Meighen). I am not going to drive them home too forcibly, nor shall I be very harsh; I shall be merely sufficiently effective to bring out the facts of the case. My right hon. friend toured the West and, in Winnipeg, he is reported under date December 17 to have spoken of the King government in this fashion:

The King government has a record of political perfidy unapproached in the history of responsible government the world over,—

Mark you, there are no limitations, there is no reservation, in that indictment—it embraces the whole world.

—because of its record on the tariff and every other subject of importance in relation to which it bound itself by pledges to the people of Canada.

No limitation at all; we are not only the limit, but we exceed the limit in impotency and general perfidy—"perfidy" and "apostasy" seem to be favourite terms in the vocabulary of my right hon. friend, and hon. members may recall that he used the latter expression in reference to my humble self last year when he described me as an apostate in relation to the tariff. I do not know what he will call us on this occasion, but we shall see about that later. About the same time he also addressed a meeting at Three Rivers. The House will remember that my right hon. friend and some of his lieutenants at that time were flitting about the country with wonderful rapidity, being here to-day and there to-morrow. And just shortly after the time he spoke in Winnipeg as I have quoted him, he addressed a meeting in the interesting city of Three Rivers. Let me read as nicely as I can what he said there:

The name of the government is a stench throughout the West to-day—

He had just returned from the West and so he ought to have known.

—and the concessions they are fishing for are at the price of the rest of Canada, of Canadian industries and Canadian trade.

As to whether the name of the government was at that time, or is now, "a stench" in the West, that is something we shall hear about later. Now, these are not nice things to say, and I shall refer only to one more, just to show that the intention of the opposition seemed to be to sow so much distrust in the minds of restless people that, as they evidently hoped, the government would be crowded off the map. Well, there was a sort of reunion of the Conservative party in Saskatchewan. As you know, that party had got to be pretty limp up there, and a united effort was made by Hon. Robert Rogers, Premier Ferguson, and my right hon. friend, to breathe life into the dead flesh and bones of western Toryism. And that is a big contract. To show that birds of a feather usually do flock together, let me read the following report of the remarks of Hon. Robert Rogers on that historic occasion:

Mr. Rogers said that the people of Saskatchewan, never having enjoyed the benefits of a Conservative government, were living in darkness. This was the time to correct that situation. "You have as Libgrals in Saskatchewan," he went on, "as unscrupulous men as there are anywhere in the Dominion of Canada."

There is no equivocation about that; none whatever. Well, having read these things I have come to the conclusion that they were not really intended seriously; I do not think they can be considered as having much more than political significance. These gentlemen were on the stump and were obliged to make a showing, and so this is what they said. I do not think that they believed it themselves. Every time we meet here after a recess we gather together as good friends, and if I thought for a moment of my hon. friends what from their language they would give us the impression that they think of us, why, I would not be so friendly with them. But I rather like them—right where they are. Now, so much for that; let us forget it. Indeed, I am sure that some of my hon. friends opposite would like to forget it because it is nothing but a blunder; the people did not accept it. The trouble is that my hon. friends overdid it; and speaking for myself, I want no better campaigners in the interests of the Liberal cause in the West than that trio. Those gentlemen did far more good for us than the Minister of Justice (Mr. Lapointe) and I did in the effort we put forth. And we had a good time. Let us see what occurred later on. They seemed to be encouraged by the victories they

won in Halifax and Kent; and so no wonder they were on their toes thereafter. What with themselves and their press they had the whole of Canada in a remarkable state of expectancy as to what was going to happen when the House convened on February 29; everybody was speculating as to what was going to take place. Not only that; various dark rumours were being whispered around that something was going to befall some members of the government. I do not know who it was that had the brand on him, but three or four cabinet ministers seemed to be under suspicion, and there was an undercurrent of feeling that anything was apt to happen. These were the conditions under which parliament met, when our friends of the opposition were almost elevated into the third heaven of hope. What as a matter of fact did happen? Well, the first crack out of the box was the Speech from the Throne, and instead of seeing the whitening gills of the government, as the leader of the opposition has spoken of, we had the pleasure of witnessing the blanched faces of the opposition when the Speech was delivered. And from that affrighted state they have not to this day recovered.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Well, there is nothing else for the opposition to do than to laugh it off; I am aware of that. They were full of hope, for the situation seemed to them to hold some promise; and now that they see their expectations falsified they declare that the Progressives have sold themselves for a mess of pottage, a mess of pottage that will not be delivered.

Well now, that was the first blow, but it was followed by another. Long before the effect of the Speech from the Throne died away in the distance the Acting Minister of Finance (Mr. Robb) brought down his estimates showing a reduced expenditure of $46,000,000. Some hon. member estimated, rather generously, that the supplementaries would cut this saving down to $26,000,000; that is to say, there would be $20,000,000 expenditure in the Supplementary Estimates. Although it is not safe to guess about political matters, I make the guess that the supplementaries will not amount to half of $20,000,000. However, the reduced expenditure was generally accepted throughout the land with great favour as an indication that the government was making a real effort to effect economy. That was not quite as hard a blow to the Conservative party but it was hard just the same.

When the budget came down and, all the prognostications to the contrary, showed a genuine desire on the part of the government to lessen taxation and at the same time maintain the national revenues, why, the cry went abroad throughout the land: This is something we have been looking for for years. Liberals threw out their chests and said: Here is something we can fight for now. And the stock of the Tories went down correspondingly; there is no question about it. A man who has been in politics for twenty years can sense these things, he does not need to be told. The Tories were going to wipe up this floor the very first day of the session with any Liberal that came in sight. They went roaring around the Dominion like raging lions in search of what Grits they could devour, but when they got their "prey" corralled inside these four walls those raging lions were as tame as pet lambs. Nothing happened, and nothing is likely to happen. Here are all the Liberals in the flesh ready for anything that may happen. But the very fates have been pursuing the Tories. Surely they must have been doing something wrong that such retribution should come upon them!

When the budget comes down usually an amendment is moved by the official opposition. By some tacit arrangement it was expected that the Conservative party would move an amendment. You will remember, Mr. Speaker, that it took the ex-Minister of Finance (Sir Henry Drayton) over Sunday to recover from the first shock of the budget; he wanted the week-end to think it over before he would reply. And they got into a nice little discussion the following week. But they forgot there was a fourth party, represented by two modest Labour men that we very seldom hear from. The fourth party were not going to lie quiet any longer; they could not see why they should not be in on this amendment business. So they brought in an amendment. It took the official opposition two days to recover from that before they even protested. The thing was monstrous—the great Conservative party vieing with two Labour gentlemen, representing the fourth party, for a place in the sun, for precedence! You, Mr. Speaker, when the matter came before you, let it stand over another Sunday and then gave your decision in favour of the younger party. Now, that was real hard luck for the Conservative party.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Our two friends here know there is nothing else to do but to laugh. The Conservative Organizer (Dr. Tolmie) is not laughing. He knows what it means. That is the fourth blow.

Sir HENRY DRAYTON: You are losing your good joke; he is not here.

Mr. MOTHERWELL: The next one is a joke.

Sir HENRY DRAYTON: It is all a joke.

Mr. MOTHERWELL: But it is a real joke on my friends opposite—but I will come to that later. Let me refer to the statement of the Massey-Harris Company in yesterday's Citizen. The manufacturers on whose behalf our Conservative friends were willing to bleed and, if necessary, to die—of course politically—tell their sympathizers: Don't worry, friends; keep your wind to cool your porridge if you like, but we don't want your sympathy; we can get along under this budget. Let anyone examine the concessions that have been given in the way of free raw materials, with the added prospect of the balance of the Crowsnest pass rates coming into force, which is equivalent to a 3 per cent advantage, and he will realize why the manufacturers are not alarmed. Take the tariff rate on binders, reduced from 10 to 6 per cent. That is nearly half, it is true, but by a careful computation the implement manufacturers estimate that if the Crowsnest pass agreement was restored in its entirety it would be equivalent to a 3 per cent advantage to them over the American implement makers. That restores 3 per cent of the reduction of 4 per cent off in duty, and the further advantage of free raw materials will at least make up the difference. The Massey-Harris people are wise. While the public generally are benefited, the Massey-Harris people have not been hurt seriously. We do not intend that they should be. Why should we massacre industry, Mr. Speaker? We never have in the past—why should we do it now? We try to put an even doubletree between the various sections of the community; that is all. That is the series of misfortunes which has overtaken our Conservative friends at every step—a reward for their bad conduct all last summer in going about the country abusing the government! Why, the worst word in their mouth was too good for us over here. But that is the retribution they might expect, and that is what they have got.

Now, what about the budget itself? Why do not our Conservative friends like it? The simple fact of the matter is that it has got the Conservative party right on the hip, and that is the reason why they do not like it. Let us examine some of the speeches delivered by my friends opposite. I think the hon. member for Fort William and Rainy River (Mr. Manion) has been credited with the best speech thus far from the opposition side—I should make an exception in favour of the ex-Minister of Finance of course, but outside of him, and what does the hon. gentleman from Fort William say? I had not the pleasure of being present to hear him, but I read his speech carefully afterwards, and I have it before me now. If I had not read it I would not have believed that my hon. friend with all his geniality and likeable qualities would get off such "bunk." But still, seeing is believing. He asks:

> What is the object of the changes in the tariff? Sir, it is simply a mad desire on the part of this government to keep in power at any price. It is an attempt to purchase the votes of the West at the expense of the industrial East.

Because, after the manufacturers have been privileged for fifty years to levy tolls on the farmers of this country and others, we ask them modestly to loosen up a bit, we are told that we are going to destroy them. They have been riding on our backs for fifty years. At last we simply say to them: Get off and walk for a little while, try your feet. And the Massey-Harris Company comes back and says: I will try my feet; maybe I will grow stronger by that method; the goodwill of the farmer is better for me than any protection I am enjoying at the present time; all right, I will walk. Here is some more of my hon. friend's speech:

> I submit Mr. Speaker, that the whole tariff history of this government has been one of deception, trickery and vote chasing.

That is not as bad as "apostasy" and similar expressions that we have heard from the official opposition at one time and another. But where is the deception? The very first session after the government was formed we did what no other government had done since confederation—we lowered the tariff. You may call the reduction small, but we were that much further to the good than any other government that has preceded us, because none of our predecessors ever touched the tariff at all in their first session. Last session we pursued the same course and increased the British preference. That increase may be said to be small, if you like, but nevertheless it has been appreciated. Indeed, it was said to be sufficiently large to close a number of our mills, and our calamity howlers went up and down the land complaining that this would be the result. Surely there was no

deception there on our part. We are beginning to do slowly what we had endeavoured to do rapidly on three historic occasions and failed. —in 1878 and in 1891, unrestricted reciprocity, and in 1911 reciprocity in natural products. We endeavoured to go rapidly, but we were told we were going too quickly and we were defeated in each instance. Now we have been reaching out to the same objective by easy stages—so easy the first two years that our action did not meet with very much approval. We have this year balanced our budget, so that we are at liberty to go faster, and we are going faster. We could not go rapidly the first two years, because we would lose too much revenue, but having now balanced our budget, the logical thing to do this year is to speed up. And we have speeded up, there is no trickery about that. It is not a case of selling out to the Progressives, because our platforms are identical. It is obvious that if we take any step to carry out our platform we take a step also toward the carrying out of theirs. Do you suggest that they should run away in the opposite direction and say "We will not take it from you"? Oh, all this talk about selling out and buying out and messes of pottage—it is all nonsense. Whether or not we should be in two camps is another question, but our platforms are the same and the government cannot carry out its platform without carrying out theirs. The natural thing happened, therefore; they looked upon our budget with favour.

"If you have tears, prepare to shed them now"—because this is the gem of the lot. He says:

Sir, the policy of free trade—

Who is talking about free trade? Look at what the Massey-Harris people said about what is left being the necessary amount of protection. It is down to the minimum of protection; he does not say it is free trade. Our hon. friends coin these phrases for effect. They think that some terrible spectre can be discovered in free trade. What is free trade but natural trade? However we are not discussing free trade; it is not in the budget. But, for the purposes of—shall I charitably say?—argument, the hon. member for Fort William and Rainy River (Mr. Manion) uses the term, and he goes on:

—if the people endorse the present changes in the tariff—would finally lead to the economic domination of Canada by the United States. It would then lead to Canada becoming a commercial appendix—

Oh, how familiar that term is.

—a commercial adjunct—

[Mr. Motherwell.]

More familiar terms; more resurrected campaign dope of 1911.

—a commercial adjunct, as someone has said, of the United States.

One would hardly think these expressions would have been resurrected, but what else have my hon. friends left to say or do? Some people say that every ten years you have a new batch of people that you can flim-flam, and no doubt there will be a lot of new electors in the next election and apparently my hon. friends are going to take a chance on working these things on the uninitiated, telling them that they are going to be gobbled up by the United States if we deal with the people to the south any more freely than we are now doing The tariff wall, we will say, is four rails high; if you pull down one rail, ruination will follow; if you leave it where it is everything will be O.K. Did you ever hear such nonsense? If you pull any of it down, they say, we will be gobbled up by Uncle Sam, I am sure that in his quiet moments—and I know my hon. friend must have them like all the rest of us—he will be heartily ashamed of these remarks; anyway I am going to try to make him ashamed of them.

Mr. SUTHERLAND: Will my hon. friend permit a question?

Mr. MOTHERWELL: Yes, that kind of thing works fine; it is very clever. In fact it was the only thing that could have defeated reciprocity, and now they are hoping to turn the trick again with the annexation cry.

Mr. SUTHERLAND: Will my hon. friend permit a question?

Mr. MOTHERWELL: Yes.

Mr. SUTHERLAND: Was there any minimum tariff referred to in the platform of the Liberal party? Was not the

4. p.m. policy advocated of the abolition of the whole tariff on agricultural implements?

Mr. MOTHERWELL: When was that?

Mr. SUTHERLAND: In the 1919 platform of the Liberal party.

Mr. MOTHERWELL: Well, of course, but are we not getting there by stages? If you leave us here fifteen years, as the Liberal government was left on the previous occasion, we shall have obtained our object—yes, and before that. Oh, do not be in a hurry, there are more years to come.

Just to show you that the hon. member for Fort William and Rainy River is not alone

in this campaign, I may point out, Mr. Speaker—and you yourself were in the government of Sir Wilfrid Laurier at the time—that when the campaign of 1911 was launched, the Montreal Star, the originator of the "whisper of death," got out a great big front page article with Sir Wilfrid's photograph in the middle of it, imploring him to save Canada from the Americans. And now no less a paper than Saturday Night, a highly respectable publication printed in Toronto, says:

> The truth of the matter is that the King administration is actuated by motives difficult to fathom but clear enough in the application.

Here is what this article says about the Prime Minister:

> For two years the Prime Minister has been advertising his endeavours to shake off the "British yoke" in constitutional relations; and he is now inviting the "United States" yoke in our industrial relations.

Well, now, what do you know about that? So there is method in their madness. We might as well be forewarned, because forewarned is forearmed. I am endeavouring to tell the people of Canada to watch these gentry; they do not want any fight on the tariff. As the hon. member for Battleford (Mr. McConica) said the other day in his western style, "If we go to the country on the tariff we will trim you to a feather edge," or words to that effect.

Now, I will not be cruel to the extent of quoting any more of that speech. It is a very readable document; it was very fluently delivered, but it exceeds the limit in nonsense. On the other hand, if I were in my hon. friends shoes, what else could I do? There is nothing left. The longer you examine this budget the more you will find that it is impregnable. Why? Because it lowers the taxes of the people where they want them lowered, with due regard to the revenues of the country; in other words, it is a revenue budget. The reduction has been constant and consistent; there has been no trickery. We have not made our objective, and I do not know whether the people of Canada will leave us, if you like, in power long enough to make it. We hope they will; it is up to them. If what we are doing is acceptable to them, the logical thing is that we shall go along the lines of a revenue tariff. We cannot get away from the revenue idea. Nobody in this country has been preaching absolute free trade, therefore that question is not in issue to-day.

Now let me come to the general attitude of my hon. friends opposite. What do they want, after all? They belong to a school which have always built strongly on the idea of manufacturing, on the idea of industry,—good in itself, but surely not the primary thing in this country. You will never hear them talk about farming except to suggest to our Progressive friends and all western men that they throw away their can openers and grow something else besides wheat. That is all they do, and the less they know about farming the more they urge us to go on to some other system of farming. They talk everlastingly about industry. Well, what must their feelings have been when they got that slam from the Massey-Harris Company the other morning? I noticed nothing about it in the Morning Journal, however, or in any other Conservative paper, though I presume it went over the wires of the Associated Press.

Mr. RYCKMAN: Yes, it was in the Ottawa Journal yesterday.

Sir HENRY DRAYTON: The hon. gentleman is not sufficiently informed on the subject.

An hon. MEMBER: He does not want to be informed on that.

Mr. MOTHERWELL: I knew you would not like it at all. Do we Liberals entirely disregard the industries? Not at all, but our primary thought is the development of our natural resources, the first of which is, admittedly, agriculture; then, if you like, lumbering, then mining, then fishing. Which is the correct thing, to forget all about agriculture and think only of building up industry, which after all must be a secondary institution? Why, the early settlers all around Bytown here, one hundred or one hundred and twenty-five years ago, had no manufacturing institutions to support or to get their implements from. They hoed the ground with crude hoes and got their crops in without agricultural implements. I had the pleasure, Mr. Speaker, of seeing a collection of agricultural implements at Budapest some ten or twelve years ago which illustrated the development in implements of agriculture in the course of hundreds of years. Some of these instruments were very primitive indeed, and yet the people who used them managed to grow crops with their aid. I do not want to go back to those primitive aids to agriculture, neither do I want to be made insolvent by buying high-class machinery although high-priced machinery may be necessary in employing the best methods of cultivation to-day. But there is a happy medium between these two extremes. We believe the primary industries must be given primary consideration; after we have developed them all we can, let us see to the advantage of the manu-

factures that are indigenous to the country and get along with reasonable assistance in their early days. By all means develop them, but do not develop them by crucifying the primary industries—that would be a mistake. Some countries must export raw material. How is it that Great Britain became the greatest manufacturing country in the world? Through the medium of her mercantile marine, through her access to the raw materials of the world, through cheap labour, and through a low tariff or no tariff at all. If she has to buy the raw materials that she needs some other nation must sell them, and we in this country are producers, essentially producers, of raw materials. Do not misunderstand me. Do not gather the impression that I say that we should not manufacture any of these raw materials. We should manufacture all of the raw materials possible when we can do so profitably without injury to the rest of the people; but to compel a lot of us to be made the goat in order that other people should profit is a mistaken policy and one that cannot last. We have stood it all these years because in the past there has been enough to go around; but when there is a great war debt to be paid then the burden must be equalized, it must be properly distributed. One of the most hopeful signs of the times to-day is the manner in which the Massey-Harris Company is accepting this budget. They say "All right. If you are going to give us raw materials we will do our best but we rely upon the good will of the Canadian people to patronize Canadian manufactures." And that is right. The manufacturers will get popular support far more quickly in that way than they will by compulsion under a high tariff, because you never can compel people in the long run to assume an obligation if they can evade the obligation at all. Let me say that this is not a western budget alone; it is accepted just as freely in the Maritime provinces, in nearly all Quebec, in a great deal of rural Ontario and some parts of urban Ontario, as it is in the West. It is a budget for the whole of the people, and I am particularly glad that the manufacturers are showing a disposition to accept the situation and try it out. Then later on, if they cannot operate under a budget like this, let us inquire into the situation and see if anything is due to them —not from their former victims but from the state itself. I take this ground: if we have to have industries, and if they cannot support themselves, although that has not been shown yet, then we will accept them at their own classification—that is that they put themselves in the class of industrial pensioners. I am not doing that, the Massey-Harris firm has not done that; but I take the ground that if our industries are not self-supporting, if they cannot operate, if they cannot navigate the commercial waters of Canada under their own steam as it were, then we should devise some other way than that of authorizing them to levy on their customers as they have been doing the last fifty years. If such a proceeding is necessary in Canada's interests, if these manufacturers admit now that they are not self-sustaining and cannot operate without protection, then they become industrial pensioners and should be supported by the state like any other pensioners, and not by their customers upon whom they have been living all these years. When the returned soldiers came back to Canada we were glad to contribute towards a pension for them. But that pension was not levied on any one particular class. When a civil servant is superannuated by parliament the money for his superannuation comes out of the general treasury. Now, if we are going to have industrial pensioners—and I do not believe we are; but if that is the position the industries are in as claimed by our opponents, if they are not self-supporting—then I say that these industrial pensioners should be supported by the state, out of the public treasury, and not by the customers as the practice has been.

Examining into this whole system I doubt very much whether the system of giving the power to levy taxation—and this power has practically been delegated to companies and to manufacturers—is sound at all. I take the ground that the power to impose taxation belongs to the state and the state only. When I say the state I mean either the Dominion, the provincial, or the municipal governments. When we introduce a protective tariff it is a tax which is double-barrelled in its character. One feature consists of a straight tax levied by the state through the medium of the customs. That is one barrel. The other is the excess price that the manufacturers are permitted to charge by reason of the protection which that tariff affords. Virtually these manufacturers adopt a system of taxation whereby they are permitted by law to levy a higher price on their customers. After a person has submitted to such a system all his life that fact is as plain as the nose on a man's face—and that sometimes is fairly conspicuous. I contend, Mr. Speaker, that the right to tax is a function that should be reserved for the

state and for the state alone; and if the manufacturers are to be helped the state should do it and not the individual.

Now, I do not wish to be harsh. I have never taken the ground in this House that a new industry should not be supported, I have always taken the very opposite ground. I have always held that if an industry was worthy of the name, if it was indigenous to the country with some reasonable likelihood of succeeding, it might be justifiable to lend it some aid in its infantile days, some sort of help that would recede with time, get less and gradually disappear. But I am not satisfied that these industries should be infants for all time. That is the difference between myself and hon. gentlemen opposite. In nature young life requires nursing; I do not care whether it is a human being, a denizen of the jungle or a domestic bird on a farm, infancy always requires to be taken care of; and at this particular time when new industries are established I believe they will require to be taken care of in some way. But what has been the result of the system we have followed in the past? The effect has been to establish a privileged class in Canada that you cannot shake free from protection. That system has grown to such an extent that industries though established for half a century want to continue under it in perpetuity. I see the friendly face of the hon. member for St. Lawrence-St. George (Mr. Marler), who spoke about the possibility of establishing a "cost of living tariff." I wonder what that means. A cost of living tariff in Montreal would be a sumptuous affair to the man on the prairie or on any of the farms of Canada. Personally I do not know what it means. However, I wish to make myself quite clear on that point—that while I am opposed to protecting institutions after they have got on their feet, I have never opposed at any time in my public career giving some form of reasonable receding assistance to young institutions. That is a vastly different thing to adopting protection as a principle in the case of industries of old age such as has been the system followed in Canada.

When this kind of talk is indulged in we are told by our Conservative friends, "Well, if you would do something else besides growing grain, you would not be putting all your eggs in the one basket, you would not be in the condition you are in now and would be able to get along nicely under the present tariff". I do not think the hon. member for Nanaimo (Mr. Dickie) realized just how his advice sounded when he was handing it to us. I took it to myself, although he directed it to the Progressives I come from the same part of the country as most of those hon. gentlemen, and his remarks indicated that he thought the people of the West should farm their property. Of course our farming methods can be improved, that is admitted; but my hon. friends across the way seem to think we do not do anything in the West except grow wheat. Although this is not directly connected with the budget, I would like to disillusionize the House on that question. We are rapidly becoming a general farming community out there; so much so that I am sure some of you who have not seen these figures will be inclined to doubt some of them. My hon. friend from West Calgary (Mr. Shaw) is interested in dairying, but if somebody had said offhand that if the farmers on the prairie produced more butter than the farmers in Ontario, that would be a wild-looking statement. And yet it is a fact. Why all this gratuitous advice to us? They say, "Leave the tariff where it is, and go and throw away your can-opener; get busy at something else rather than wheat growing." The figures I have before me come from the statistical department; I checked them up and I think they are right. Take first the product of butter. The figures are as follows:

Product	Province	Per capita
Butter	Alberta	37 pounds
"	Saskatchewan	30 "
"	Ontario	25 "

It is true that part of their dairying goes in other directions, but I am speaking only of butter. In the matter of poultry, the figures are as follows:

Product	Province	Per capita
Poultry	Saskatchewan	11 pounds
"	Alberta	10 "
"	Ontario	5 "

Mr. HARRIS: When the hon. minister is expounding his view on this matter, will he give the House the information per capita, rural and urban?

Mr. MOTHERWELL: We do not take our census that way.

Mr. HARRIS: Does he expect the city people to make butter?

Mr. MOTHERWELL: I will refer the hon. member to the department. I took the figures as I got them and these are the right figures. Oh yes, these figures spoil all their little song over there; they will have to get some other story, because these figures puncture their story.

Mr. HARRIS: Will the hon. minister give us the urban population?.

Mr. MOTHERWELL: There is a statistical branch to which the hon. member can go and get the information. We do not give these figures on any other basis; and furthermore when we give grants it is on a per capita basis, irrespective of urban or rural. The Agricultural Instruction Act was operated on a per capita basis, irrespective of rural or urban population, and I am giving these figures on the basis the census returns are given. I am glad to know that my hon. friend feels he is up a tree.

Speaking of eggs, I have heard my hon. friends talk about eggs all this session, and every time they talk about them they give a culprit-look in this direction, as if I were responsible for there not being more eggs in this country. In the province I come from there are more eggs produced per capita than in the province of Ontario. The figures are as follows:

Product	Province	Per capita
Eggs	Saskatchewan	46
"	Alberta	43
"	Ontario	24

Mr. SUTHERLAND: Does my hon. friend not realize that carloads of eggs have been imported into Ontario during the past three months as a result of the low tariff on butter and eggs?

Mr. MOTHERWELL: That makes it worse.

Mr. SUTHERLAND: And that they are sold cheaper than the Ontario farmer can produce them.

Mr. MOTHERWELL: That makes it worse. They should produce more here. That is why they are shy of eggs. "Produce more eggs" says the hon. member for South Oxford (Mr. Sutherland). Why not have less hog cholera? Then we come to hogs. In that commodity Alberta leads again. The figures are:

Product	Province	Per capita
Hogs	Alberta	1.11
"	Saskatchewan	0.84
"	Ontario	0.57

Again we find Ontario away down, about half as much as Alberta—.57 per capita. Why can our friends from Ontario not develop the hog industry instead of lagging behind? They are all slaughtered for the cholera in that province.

Mr. SUTHERLAND: Would the hon. minister like an answer to that question?

Mr. MOTHERWELL: Yes.

[Mr. Motherwell.]

Mr. SUTHERLAND: All you have to do is to refer to the quantity of American pork that is imported into Ontario to answer your question.

Mr. MOTHERWELL: That does not affect these statistics. These are live hogs. When I took the census return of 1921 it was a great surprise to me, although I knew the position with reference to butter and other articles. I knew that per capita we had more production of butter than any other province. Saskatchewan has the greatest amount of poultry next to Ontario—not merely per capita, but taken as a province. The pork industry has developed there to a remarkable extent, has flooded our eastern market, and to a large extent supplied the New York market last year. So that we are headed right in the direction that our hon. friends are pointing, and they will have to present some other argument than the one they have presented to switch us off the tariff, because it will not work.

Coming to dairy cows; Ontario should excel in this product. I am not speaking of this disparagingly because I know there is a large urban population; but man for man and woman for woman and child for child, we produce more out West than is produced in the eastern provinces. I did not take the figures for the province of Quebec, because I did not want to give the department too much work, and I had to do it in a hurry. I did not take Manitoba, but I believe they would show up much better.

Mr. FORKE: Sure.

Mr. MOTHERWELL: But I took the two provinces that were looked upon as the greater culprits. Referring to the product of dairy cows, the figures are as follows:

Product	Province	Per capita
Dairy Cows	Alberta	0.65
"	Saskatchewan	0.50
"	Ontario	0.42

The figures for the production of beef cattle are as follows:

Product	Province	Per capita
Beef Cattle	Alberta	1.75
"	Saskatchewan	1.39
"	Ontario	0.52

I am going to give these figures to Hansard, so as to have them placed correctly on the record, and if anybody desires to check them up with the statistical department he can do so. I checked these statistics twice, so that there would be no doubt about their accuracy.

Then we come to manufactured goods. It has been suggested, "If you cannot make this form of production pay, why do you not develop industrial life out there and go into manufacturing?" Well, we are doing so now. There again we are taking their advice. We are also working along the lines of the middle western states of the United States. I do not know that in our time we shall ever be a great manufacturing country, but nevertheless the manufactures that are being developed there are wonderful. I have a list of them before me, and I may as well explain, in reading this statement, that the Statistical department has classified the milling industry as a manufacturing industry—and strictly speaking, I think that is right—and the packing industry as a manufacturing industry. I merely make that explanation. The milling industry is a manufacturing industry; we manufacture wheat into flour. If we have regard to that, in round figures Alberta manufactures on a per capita basis, $113 worth per capita; Manitoba manufactures $202 worth per capita. Saskatchewan is away down, as we might expect, because it has not devoted so much attention to manufacturing. In Saskatchewan there are no large urban centres and such like. Saskatchewan manufactures only $66 worth per capita; Ontario manufactures $481 worth per capita, and Quebec, $332 worth per capita. It will be noticed that the figures as regards Manitoba are less than one-half of those of Ontario, but they constitute a great deal more than one-third of the manufactured products when you count flour and abattoir. Surely then we are not doing so badly.

Mr. LADNER: Has the minister the figures for British Columbia?

Mr. MOTHERWELL: I am sorry I did not get those, because it was from British Columbia that we were receiving this kind of advice. I was not so much concerned with British Columbia; that province was not looked upon so much as an agricultural country as some of the other provinces, and I did not ask for the figures for that province. Alberta and Saskatchewan were alleged to be the chief sinners, and as the advice came largely from Ontario, I wanted to make the comparison between the ones that were alleged to be committing this grievous offence of not doing anything but growing wheat, and the ones that were giving the advice. The figures for British Columbia will be interesting, because that province has developed wonderfully along the lines of poultry raising as well as fruit growing during recent years. Those are the figures, and that is the answer which I would give to those who are trying to becloud the tariff issue by telling us to go into mixed farming. I am not deprecating mixed farming, but I am glad to be able to produce this evidence that the people of the West as well as the people of the East are taking this advice without waiting for it to come from the sources to which I have referred. They are using it, not because they think these hon. gentlemen know anything about agriculture. They do not; they simply put it out as the only line of thought they have in order to try to divert our attention from the tariff.

Long before this budget came down, in fact, last January, I had the opportunity of giving an address in Montreal before the Rotary Club, who were good enough to invite me there, and that club being non-political, I could not mention the word "tariff." I have not a copy of my speech as it appeared in the Montreal Gazette, but I can give the substance of it. The subject of my address was that we should develop the practice of using more of "made in Canada" goods. That was before the House met and in the city of Montreal where this policy would meet with favour, although we might differ as to the best methods of attaining that end. I pointed out that some people believed that the way of attaining that end, that is, the end of having more "made in Canada" goods used, was to shut out other goods—I did not use the word "tariff;" I used the word "restriction" —by excluding goods by restrictive measures. I said that that will not work; that it never has worked. As a matter of fact, while there has been no systematic determination in the West not to use eastern goods, ever since reciprocity was defeated and we were denied the benefits of that market, western men have found it more and more difficult to prevail upon themselves to use eastern goods. That is human nature. That attitude, however, is wearing away. Time heals up those things, and now I have dared to preach in Montreal —I do not know whether they agreed with me or not; they did not look black at me—that trade restrictions will never develop a spirit of using "made in Canada" goods. I will venture to guess—and the same idea was promulgated by the hon. member for Brandon, the leader of the Progressive party (Mr. Forke)—that if they could see their way to take the stand of the Massey-Harris people, they would double and treble their sales to the Canadian farmers in the next four or five years. Is that not a better policy to pursue than that of sticking us to the full extent of

the tariff and then selling cheap implements abroad? Those practices cannot prevail any longer; the people will not stand for them. We have no enmity towards the manufacturers, and this is purely a political question. They tried to make out that we are the enemies of industry and that we think in no other terms than those of agriculture; but the industries themselves have demonstrated right in the midst of this debate what they can do; they have come out in the public press saying: "I am going to accept this tariff, to try it out and to rely upon the fairness of the Canadian farmer to patronize home industry." This is a statement made in the public press yesterday by the Massey-Harris Company:

> The new rates, now effective, represent a minimum of protection, and it is believed that apart from goods which are permitted to be imported free of duty, the customs rates now carried by farm implements are lower than those applicable to any other class of imported goods.

It represents the minimum of protection. This is a manufacturer that admits that 6 per cent is protection, that 10 per cent is protection; that 7½ per cent, 12½ per cent is protection. Our hon. friends opposite take the ground that because this tariff is reduced to as near as one can conceive a revenue basis, it is free trade. That is free nonsense and humbug, for effect. The manufacturers do not designate it as that. They know that every one per cent that is imposed is that much protection although it is revenue producing. Its protective features are incidental; the outstanding feature is that it is revenue producing. Further on the Massey-Harris Company state:

> We shall endeavour to adjust ourselves to the new conditions and we will give to the Canadian farmer every possible advantage arising out of the changes made. We rely upon him to do everything within his power to stimulate Canadian industry by the purchase of Canadian-made-machines.
>
> The provisions of the budget which exempt farm implements from the sales tax are most welcome, and these, combined with the lowering of customs duties on raw materials announced in the government's amendments, now enable the manufacturer to make an immediate reduction in his prices.

That is the proper kind of spirit. That is a vastly different spirit from that with which the manufacturers met reciprocity. If they are willing to forget it, I am willing to forget it. We cannot develop Canada to the utmost by harking back to our difficulties and differences. Let us forget them. This company is a manufacturing concern of outstanding merit. Its implements, notwithstanding reciprocity, I have bought for forty years, and I intend to continue to buy them; but I, as well as thousands of others, would buy them more freely so long as we are ready to pull on an even and double whipple-tree along with the other industries of Canada.

[Mr. Motherwell.]

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, I have no desire to follow the Minister of Agriculture (Mr. Motherwell) in his wandering remarks; but, after all, he said very little about the question before the House, his speech being more amusing than instructive. There is one day that is interesting to every member of this House and, I believe, to every man in Canada. That is the day upon which the budget is announced. The reason is that we are all Canadians and all taxpayers, and it is interesting to us to know exactly how there is going to be extracted from our pockets the money that is necessary to carry on the affairs of the country for the following year.

We have had a succession of tariffs, and while I do not intend to go at any great length into the history of the subject I desire to refer to one or two facts. In the year 1879 the government brought down what was known then, and is still known, as the National Policy. This was a policy of moderate protection for all our industries; a policy of protection for our labouring men and for our farmers as well. This policy was in force, with very minor changes, throughout the existence of that government until it was defeated in 1896, that defeat being due to causes that had nothing to do with the tariff. The succeeding government, that of Sir Wilfrid Laurier, which assumed office in 1896, carried on exactly the same policy as had their predecessors. It is quite true, as the Minister of Agriculture has told us this afternoon, that there were minor changes; but during the fifteen years of office of that Liberal government they reduced the duty only by one per cent. So that if we should leave this government in until we get free trade, I am afraid they would be in office for life. I said that throughout their life the Liberal government that succeeded to office in 1896 pursued the policy of their predecessors, but I was overlooking the fact that in 1911 they brought in what was known as the reciprocity pact upon which, on their appeal to the electors, they were beaten by a large majority. And succeeding governments have retained the old policy in the main, although it is to be remarked that during the years following 1911 the duties on these agricultural implements and similar articles have been

brought down to a much lower rate than was contemplated in the Reciprocity treaty itself.

In 1921 the government of the day in common with other governments in the Dominion, went down to defeat, and control was handed over to the present Prime Minister (Mr. Mackenzie King) who, both personally and through his followers, had declared as many trade policies as there were electoral divisions in the country. The people of Canada were therefore more than usually interested in the budget of 1922. That budget made small reductions, mostly on farm implements; but practically no diminution in price was effected on these articles, because the budget increased the sales tax by 50 per cent, or from 2½ per cent to 3 per cent to 4½ per cent. This had the result desired by the government; it gained for them the support of the majority of hon. gentlemen of the Progressive party. But it did nothing to reduce the cost of implements; or it has been shown in this House many times during the present debate that while the duty on agricultural implements was reduced approximately 2½ per cent the price went up 10 per cent notwithstanding. One marked consequence of this change, however, was the increase in the importations of implements, and this in spite of the fact that there was no reduction in the price. We imported from the United States approximately $3,500,000 more annually in these implements after that change than we did before, thus driving work from our factories and creating unemployment in places where none had existed previously. As a matter of fact there was nothing in the tariff of 1922 that tended to alleviate unemployment in Canada or that could induce capital to invest in any part of the Dominion.

The budget of 1923, as the Minister of Agriculture has also indicated, made less change than any budget I have ever heard presented. It made some very small change in the British preference, but it increased the sales tax from 4½ per cent to 6 per cent. The government, however, had another bribe for our western friends, and during the course of the session they brought about a partial return of the Crowsnest pass rates; they gave the western people a reduction of 30 per cent in the cost of the carriage of wheat, and this was done, Mr. Speaker, at the expense of the whole of Canada. The railway companies had gone before the committee on various occasions and they offered to reduce by 20 per cent the rates on all basic commodities; but when they were forced to give the Crowsnest pass rates on grain, that reduction of 20 per cent was brought down to 7½ per cent. And the other provinces of the Dominion have had to meet the extra deficit which last year, it is said, amounted to $14,000,000. The fact that no change was made, notwithstanding the chart which the government had before them, elicited from the leader of the Progressive party (Mr. Forke) last year an amendment which he was fortunate in having had put to the vote. That amendment read:

> That all the words after the word "that" be struck out, and the following be substituted therefor:
>
> Whereas the tariff policy of the government, as indicated by the Minister of Finance in his budget speech, and particularly his pronouncement in favour of tariff stability at existing rates, and the consequent intimation that the government contemplates no further appreciable tariff reduction, constitutes a repudiation of the tariff planks in the Liberal platform of 1919 and is inconsistent with the Finance Minister's statement last session that the changes then made were a step in the right direction.

It is unnecessary for me to read the whole of the amendment, but it condemned the government because of their failure to make any changes. Reverting for a moment to the subject of the Crowsnest pass, and the benefit that would have accrued to the whole of the Dominion had we received the 20 per cent reduction on basic commodities. We all know that such basic commodities as hay, grain, lumber, brick, cement, pulpwood, coal, the products of the mines, and most of these things, are sold on a delivered price, and the result of the action of the government in this matter has been that the burden has fallen entirely on the producer. As a matter of fact, the freight rates are to-day the greatest problem that confronts either producer or consumer in Canada. We have long debates in this House on the customs tariff, but we fail to consider that the customs collections amount to only $132,000,000 per annum whereas the freight paid to various railways amounts to nearly $500,000,000; in other words, while we pay an average duty of $15 per head, or $75 per family of 5, we pay at the same time some $50 per head to the railways, or $250 per family, per annum. Every dollar of this freight is a direct tax on the working people of the country, and it will be seen how much more important a reduction in railway freights is than any other financial question, even to the Progressives, who in common with other people have to pay both going and coming. Some may answer that the railways must keep up rates or incur larger deficits. But that is not necessarily true. Lower rates would mean a vastly increased volume of business and general revival of trade. Even if the government had to make good a larger deficit, it would be a splendid investment because it would increase

the volume of production and provide employment for thousands who to-day are idle, many having been forced to go elsewhere to find work.

I was very much interested in an address by the hon. member for Bow River (Mr. Garland) who took this matter up in the House on March 31. He pointed out how inconsistent some of these rates were, particularly in regard to coal. After considerable negotiation last year the Canadian National Railway management offered on coal in train lots during certain months a rate of $9 per ton from Drumheller to Toronto, or $450 per carload. My friend from Bow River (Mr. Garland) pointed out that the railroad would carry from Vancouver to any point in Quebec a carload of Epsom salts for $350, whereas they wanted $450 to carry a carload of coal one thousand miles less. On looking into the matter I find that the hon. member is correct. A number of other articles may be instanced on which the rate is lower than that offered on coal. Chinaware, one of the most fragile of commodities, is given a rate from Vancouver to Montreal or any other ocean port of $360 per carload, as against this $450 rate from Alberta to Toronto, a shorter haul by one thousand miles. I have already pointed out that this rate offered on coal was for train lots and at a time when the railroad had very little business; in other words, this traffic would keep their freight cars in use and their men on the job. In this connection I might point out that our importation of coal last year from the United States amounted to 4,840,713 tons of anthracite and 15,072,285 tons of soft or bituminous coal, representing a cost to Canada of over $90,000,000. I think, Sir this is one of the most important questions we have to deal with. We must see if there is not some way by which we can stop this leak of $90,000,000, in addition to the payment of heavy railway rates, and so keep the money in Canada for Canadian workmen.

An hon. MEMBER: Particularly the miners of Nova Scotia.

Mr. ARTHURS: Yes, particularly the miners of Nova Scotia. This brings me to another question, Mr. Speaker, which I think is also more important at the present time than the tariff—the question of emigration and immigration. According to Canadian government reports we have received during the past fiscal year 133,000 immigrants; and according to equally reliable reports of the United States government we have sent to that country alone 183,000 emigrants who paid the head tax as settlers. We must remember that almost as many men enter the United States who do not pay the head tax—young men who go over as visitors and do not come back. If the Americans are ready to admit that last year we gave them over 183,000 men, it is a most distressing state of affairs. It has been calculated that the average workingman earns and spends $1,000 each year. If that be true, then Canada last year lost $183,000,000—not only for that year but for all future years while these men stay away. I can remember when it was a common practice in Ontario and other provinces to bonus factories. small towns were always willing to give a considerable bonus to induce a factory to locate with them which would have a pay roll say, of $100,000 a year. Yet our exodus to the United States alone last year would represent the pay roll of two thousand such factories if we could keep those men at home.

Some one has said during the course of this debate that we are losing to the United States immigrants whom we brought in at considerable expense. I think the government have been taking a certain amount of comfort out of the thought that they were not losing true Canadians, they were just losing immigrants brought over from the various continental countries. But I have in my hand a return of the United States immigration authorities for the fiscal year which ended in June last, showing that during that year there were officially entered to the United States, 117,011 immigrants from Canada, and they were classified. We must remember that we have no classification as Canadians in our census returns, consequently a Canadian is classed according to the racial origin of his father. Those immigrants were classified as follows by the United States authorities:

English	39,295
French-Canadian	30,438
Scotch	17,045
Irish	12,000
Welsh	656

Or out of a total of 117,011 who proceeded officially from Canada to the United States during the fiscal year over 99,500 were absolutely Canadians who had been brought up in this country for years.

Mr. MACKENZIE KING: My hon. friend, I presume, knows that the figures he is quoting from the returns of the United States immigration bureau are not regarded even by the United States government as

in any way corresponding to the true situation; that the census of the United States, for example, is entirely different from the showing made by the immigration statistics?

Mr. ARTHURS: My right hon. friend is perhaps correct in the main, but he is wrong regarding these particular statistics, because they refer to men who paid the head tax, and consequently must be correct. The men were officially entered as settlers.

Mr. BUREAU: All people entering the United States who pay the head tax do not remain there.

Sir HENRY DRAYTON: They just go there to throw away their money.

Mr. BUREAU: The head tax is refunded when they return to Canada.

Mr. ARTHURS: Thousands of young men go over who do not pay the head tax, and do not return either. One evidence that we are losing ground so far as immigration is concerned is the returns of settlers' effects inwards and outwards. The value of such effects imported for the fiscal year ending February 1922 was $8,144,000; in 1923 the value had fallen to $6,291,000; in 1924, again to the end of February, there was a further drop to $5,914,000. In other words, we were importing 25 per cent less settlers' effects than we were two years ago. On the contrary, the settlers' effects outwards show a steady increase. In 1922 to the end of February their value was $6,000,000; in 1923, $7,977,000; in 1924, to the end of February again, $10,712,000. Or an increase of 60 per cent. This is one reason why our exports are increasing.

Mr BRISTOL: Those are the figures relating to settlers' effects going to the United States?

Mr. ARTHURS: Yes. I might remark in passing that the man who takes with him to the United States a quantity of settlers' effects is not a foreigner, he is a man who has had a home here and is taking his household goods with him; he is going there to stay. A pertinent question, I think, is: What is the government doing to remedy this state of affairs, or are they doing anything?

Mr. MACKENZIE KING: Yes, lowering the duties on agricultural implements.

Mr. ARTHURS: That is the secret of the whole thing. They are spending millions of money to bring immigrants from central Europe in an endeavour to replace Canadians who are going to the United States. As a matter of fact they are spending almost half a million dollars a year in the United States on officials whom they keep there to induce Canadians to return home. I do not think folly could reach much greater heights. We are sending to the United States hundreds of thousands of the best of our people—the worst advertisement we can have over there. What I would like to learn from the Minister of Agriculture (Mr. Motherwell) is: Will this budget bring back any of these men? Will it makes any wheel turn that is not turning now? No; it will have the opposite effect. But if hon. gentlemen would put a tariff on, something that would give extra business to our railroads and increase employment in our factories, they would soon find these men coming back to Canada.

The present budget differs from any ever presented in Canada. It was prefaced by an intimation in the Speech from the Throne that certain duties would be lowered. Tne government sat back and listened to some of their own supporters who opposed the lowering of duties and who did not believe that the Speech meant what it said. After the debate had ended, the government apparently decided that while they might lose two or three supporters from Ontario or Quebec it would be better to pay the price in order to secure the vote of the party to my left, and they acted accordingly. There is no record in the Canadian or any other parliament where such a deliberate purchase of an opposition party has occurred. As I have previously said, the motion of the leader of the Progressive party last year describes almost word for word the action of the government this year. I think it was the Prime Minister the other day who stated to the House that the Minister of Finance (Mr. Fielding) was in perfect accord with the budget brought down by the Acting Minister of Finance.

Mr. MACKENZIE KING: Yes, and I would like to say that since I made that statement I have had a conversation with the Minister of Finance, who desired me to repeat it the next time the subject was mentioned in the House.

Mr. ARTHURS: There has been a rumour around the country that the mental condition of the right hon. gentleman is not of the best.

Mr. MACKENZIE KING: My hon. friend is quite wrong. I hope he will have the courtesy to take back a statement of that kind.

Mr. ARTHURS: I had no intention of saying it seriously.

Mr. MACKENZIE KING: I would ask him to take it back.

Mr. ARTHURS: I simply say there was a rumour of the kind, which would be justified if the hon. gentleman—

Mr. MACDONALD (Pictou): I rise to a point of order. I do not think the hon. gentleman has any right to make a statement of that kind, based upon what he says is a mere rumour. As a colleague of the Minister of Finance and a personal friend, I desire to say that that statement is absolutely untrue; there is not the slightest warrant in fact for it. Furthermore, he (Mr. Fielding) intimated to me, as he did to the Prime Minister, that the budget brought down by the Acting Minister of Finance had his entire approval.

Mr. ARTHURS: I have no desire to cast any reflection on the Minister of Finance.

Mr. MARTELL: Make it on your own responsibility.

Mr. ARTHURS: I am not making any charge at all.

Mr. MARTELL: Then do not repeat rumours.

Mr. ARTHURS: I do wish, however, to place on Hansard the remarks of the Minister of Finance made last year when he was introducing the budget. I quote from pages 2648 and 2649 of Hansard, 1923:

> Any minister, any government, any parliament must be free to deal with these cases as they arise. But the conditions to which I refer are exceptional. Speaking broadly, it is possible to give the country a reasonable assurance of stability of tariff. Such assurances are very desirable, for no business man would care to enter upon enterprises which may be brought into peril by frequent tariff changes.

Yet we find the Minister of Agriculture to-day openly stating that he is going to keep biting away until he gets the whole structure destroyed.

> The tariff as it will be when the changes proposed to-day go into effect—

I am quoting now from the Minister of Finance.

> —will be a moderate tariff and probably as low as any country can afford to have under the present conditions. It will not meet the desires of those who would rigidly apply the principles of free trade. It will not meet the wish of the advocates of high protection. After all life is largely made up of compromises. In the realm of political affairs orderly government can be possible only where a spirit of compromise exists. Subject to the exceptional conditions such as I have mentioned, I think the country should be content to accept the tariff as it will now stand as one as fair and reasonable as can be prepared under all the circumstances, and business men should be able to carry on the various enterprises without the fear of being soon disturbed by further changes

"Without the fear of being soon disturbed by further changes."

> Stability of tariff cannot be expected while tariff rates are high. But where the rates are, for the most part, as in our tariff moderate, a reasonable measure of tariff stability should be assured.

Those are the remarks of the Minister of Finance made last year in the course of his budget speech.

The government are claiming great credit for having reduced the sales tax. We must all remember that they are the parties who were responsible for the sales tax; it is only a few months since it went into force at the rate of 6 per cent as proposed by these hon. gentlemen themselves. They have increased the number of items which are not subject to the sales tax, but I notice that they have missed many very important items which should have just as much consideration as those which have been exempted. For instance, take the case of lumber. Every farmer, every householder, almost every man in Canada, uses lumber; it is an essential to the farmer and the householder, yet we find that the taxes upon it are retained. And to make matters worse, throughout Canada we have hundreds of small saw mills, little planing mills, little factories of one kind or another, the product of which until the present year had been exempt from taxation, and while the rate has been lowered from 6 to 5 per cent, the output of these small mills is now subject to taxation.

5 p.m.

I have no desire, Mr. Speaker, to prolong this debate, I am satisfied that the people are well acquainted with the lack of sincerity on the part of the government. The fact is that the government are prepared to sacrifice any one, any industry, any political tradition, for the purpose of retaining power.

Mr. MARTELL: May I ask my hon. friend a question? Where does he get his evidence that the people are aware of a lack of sincerity on the part of the government? Is it not only a statement made by my hon. friend himself to bolster up his case.

Mr. ARTHURS: My hon. friend will have a chance to talk.

Mr. MARTELL: I will talk at the right time.

Mr. ARTHURS: The whole budget this year has been prepared for the purpose of purchasing the support of our western friends, and has, I believe, succeeded in that object. But the rest of Canada, the vast majority, must know that they pay for all this. The friends of the present tariff proposals claim that the reductions will benefit the farmers of the West to the extent of $10 each per year. If that be true, it surely will not make them rich. Tariff reductions do not usually mean lower prices; in fact, if competition in business is lessened by the lowering of duties, prices go up, not down. If factories are closed for any reason the farmer loses a market accordingly and is forced to export to other countries, generally protected against him. The greatest need of the farmer to-day is a market near home where his profit will not be taken away by transportation charges. I have heard it stated by a man who has made a study of these matters that the difference between the freight rate in 1914 and that in 1924 from the middle West provinces to Liverpool on one carload of wheat would pay the duty upon all the agricultural implements used on a farm over a period of ten years.

It has been often said by hon. members to my left that the farmer pays it all, but has to compete without protection in the world's market. Both these statements are misleading and untrue. It is quite true that the farmer pays his share of the customs duties in proportion to the amount of goods used by him, but so does the mechanic and the labourer—in fact every citizen of Canada. In most cases the amount of duty paid is in proportion to the purchasing power of the buyer which is one of the good points of a customs tariff. The only exceptions to that rule are articles which are taxed for revenue purposes only. Hon. gentlemen to my left, and hon. gentlemen opposite, are fond of asserting that they believe in a tariff for revenue only, but the most oppressive tariff on the poor man and the settler is the tariff for revenue only. I notice that for many years there has been a tendency on the part of various ministers of finance to commend a tariff for revenue on the ground that it is more quickly and readily computed and easier to collect. For instance it is only a few years since we first had a duty upon sugar. But since then we have had duties imposed upon tea, coffee, and other articles that constitute a direct tax upon the people.

I want to point out in answer to some remarks made by the Minister of Agriculture that the farmers of Canada at the present time are enjoying a very considerable measure of protection. I have here some returns brought down by the government which show the amount of duty collected upon various articles imported. For instance there is a duty of approximately 19 or 20 per cent upon frozen mutton and lamb, and the importations for the year 1922, the latest period I have, amounted to $520,669, in value, whilst the amount of duty collected was $94,024. I also have the imports of pork for the same year. The value amounted to $4,420,440 and the duty paid was $854,114, a rate of 20 per cent. On imports of barrelled and pickled pork the rate of duty was about 21 per cent, and the duty collected $162,901. Even on eggs we find there is a duty of approximately 10 per cent, and we imported last year from the United States upwards of 8,000,000 dozen. The average for many years past has been in that vicinity. So that if we take these articles—and I am only selecting those which come into open competition with our Canadian producers—we find that our farmers do enjoy a considerable amount of protection. But I do not believe they enjoy enough, and I am willing to support any man who will give our farmers the benefit of exactly the same tariff that another country enforces against them. If the United States imposes a duty of 8 cents a dozen on eggs entering that country I believe we should impose a corresponding duty on American eggs sent to Canada. The same with butter and other commodities. If we do that we have a chance to bargain with our competitors, we have a chance of making better terms with them. In the meantime, through the medium of these duties we have a chance of helping our farmers out of the existing situation.

Now, Mr. Speaker, I do not intend to detain the House by speaking at much greater length. We have in this chamber substantially three parties at the present time. To my left we have the Progressive party whose principal object seems to be to get what they can for themselves regardless of anybody else. They say openly that they do not care what happens to any industry, that they do not believe in helping any industry which is not native to the country—that they do not want any exotics. May I point out to hon. gentlemen to my left that the largest silk producing country in the world is the United States of America, a country that does not grow any silk. The largest cotton producing country in the world, I believe, is Great Britain and yet no cotton is grown in the United Kingdom. The two countries named have built these industries up and they are just as valuable to them as any other form of industry could

be—and they give employment to the people. Our Progressive friends apparently believe that all they are here for is to make certain demands for free agricultural implements, and a few other things and go home happy.

Mr. MARTELL: Would the hon. gentleman give authority for his statement?

Mr. ARTHURS: If you read Hansard you cannot get away from that conclusion. Then there are hon. gentlemen opposite who are more or less of a mixture. They have one free trader among them, and they have several other hon. gentlemen who are absolutely in favour of free trade on everything except the article that is produced in their particular part of the country. I refer to the representatives from the coal mining districts. They comprise eight or ten men who are perfectly willing that every other industry should go to the wall provided they can only get an increased duty on coal.

Mr. MARTELL: Name them; do not confine yourself to making declarations.

Mr. ARTHURS: Then we have another class of men—

Mr. MARTELL: That is only an assertion on your part.

Mr. ARTHURS:—who are quite willing to sacrifice any industry except one. There are sixty-four gentlemen in that group.

Mr. MARTELL: That is only your assumption.

Mr. ARTHURS: They are all in the province of Quebec and they are quite willing that any industry should suffer except the boot and shoe industry. They do not want that industry to be touched at the present time.

Mr. GRAHAM: What is the matter with the boot and shoe industry?

Mr. ARTHURS: It is all right. As a matter of fact hon. gentlemen opposite have almost as many policies in the House as they had in the country. They are quite willing to grasp at anything that will be of advantage to them politically. On the other hand everybody knows where the official opposition stand. We advocate the same policy that we did in 1879, and we intend to adhere to it. When the people have another opportunity to express their opinion they will declare that they are in favour of a policy which will protect our industries and our workmen, a policy which will protect Canadian workers from competition with German labour at forty cents a day, and will at the same time protect and build up the farming industry in this country.

Mr. W. J. HAMMELL (Muskoka): The Acting Minister of Finance is entitled to the thanks and appreciation of this House for his able budget. The annual financial statement was presented to us in a clear and concise manner, and reflected the undoubted business ability of the minister in charge of our financial affairs. The seat to the right of the Prime Minister, vacant as it is at present, inspires me with a feeling of sorrow for our Minister of Finance. I only hope that the Right Hon. Mr. Fielding will make a rapid and complete recovery from his present illness, and that very soon we may enjoy his presence in this chamber.

I find myself in complete accord with the tariff policy of the government, and I am certain it is a step in the right direction. I hope that a thorough study of the tariff situation will continue, so that in another year we may have more numerous and more substantial reductions all along the line. I have sufficient faith in our Canadian manufacturers, and sufficient respect for their business abilities, to believe they are capable of competing with the producers of any nation, and that the great majority of them will receive with joy any efforts and policies directed toward alleviating the burdens of our people.

I do not intend to take up the time of the House with any dissertation on the merits of the respective measures proposed. I realize that both from this side of the House, and from members of the Progressive party, a very able and clear defence of this year's budget proposals has been made during the course of this debate and I feel sure further arguments are unnecessary. I regret, however, that there should be lack of complete accord in this regard. I would ask the hon. members who form the official opposition to consider that their policy of high tariff and complete protection from outside concurrence has been followed for more than half a century. During this long period our manufacturers do not seem to have progressed towards the goal of tariff independence which our past policy has attempted to find for them. Would it not be showing a truer spirit of Canadianism to unite in an effort to give a thorough test to this change of policy. Why can we not get together and endeavour to accomplish under this new policy the results which we have been endeavouring to bring about since the adoption of a tariff policy of protection and failed?

I would ask the attention of the House to the matter which I am about to discuss, and

in giving the House the assurance that I will not repeat what has already been said during this debate I add that I have reason to believe that I will find support for the policy I wish to advocate in every section of this chamber.

Mr. Speaker, great stress is continuously laid on the necessity of developing our natural resources and often we hear very able discussions on our agriculture, our mines, our forests and our fisheries. Has it ever occurred to you that one of our important natural resources, which is indeed a basic industry of this country, seldom receives attention? Yes, indeed, we too often forget our tourist industry and the scenic beauties of our country which form that great national asset from which we draw our invisible exports and which is a source of great revenue under present conditions where it is the subject of nearly total neglect and which could produce many times the revenue now derived if only we would give that part of our foreign and internal trade some attention. In taking up the time of this House in an endeavour to portray the immense undeveloped wealth with the great possibilities of this field, I believe that I am pointing a certain way to provide more employment, a greater home market for the farmers and to increase our revenues without depleting our resources.

Twenty-five or thirty years ago anyone who possessed sufficient temerity to include the natural beauty of his country in a tabulation of the national wealth would have been regarded as a sentimentalist and likely a subject of derision. It is true that John Ruskin, some fifty years ago, in his political economy had pointed out that exceptional beauty might be the highest value that land could possess. I doubt if hard-headed business men ever took this policy seriously until more recent years. It is true that political orators have long been accustomed to refer with a vague and impressive gesture to "our wealth of natural scenery." This was regarded as one of those high-sounding meaningless phrases which always express more or less than the truth. Yet to-day, Mr. Speaker, everywhere exceptional natural scenery is being recognized as one of the most valuable assets a nation can possess. Its conservation and delevopment is receiving ever-increasing attention in practically every civilized country in the world. The Great War forcibly brought to the fore this immense asset and even the unsightly devastation in the war zone has been and is still being exploited for its scenic value and in this case it would be difficult even to imagine that that desolated area is possessed of beauty. On the other hand, it is only natural perhaps that it should have taken so much time for the value of natural scenic beauty to be realized. Beauty after all is a very intangible thing, as compared with those other products of nature. You cannot touch our scenic beauties. When we trade in them we deliver our merchandise through the eyes of the purchasers. Such, however, is not the case with our farm products, our timber, our mineral products and the products of our fisheries. In these cases we deliver something very tangible; articles of commerce that can be measured or weighed, and upon which supply and demand generally recognizes a price of sale. The requirements for these articles do not have to be created, they are part and parcel of our everyday existence. In the case of beauty we can only deal on the demands for pleasure and recreation, on the desire of humans to explore new fields and discover new playgrounds. This trade, though perhaps intangible as compared to our lumbering industry, has become very real and I hope to convince hon. members that it is to our interest to hasten its development.

The importance of exceptional natural scenery from the economic point of view lies of course in the tourist traffic it is capable of attracting. The desire to travel, to see the beauties and wonders of other lands than our own is almost universal and with the improved methods of travel of the last half century, its gratification has been placed within the reach of people of even moderate means. Once a journey of some two hundred miles was a costly and tedious affair and it was even considered dangerous. To-day conditions have entirely changed and we are apt to look at a journey of that length more as an outing than travel. This, of course is specially true since the advent of the motor car; travel can now be enjoyed by almost everyone, and upon this form of recreation and education increasing millions are being spent from year to year.

It is admitted generally everywhere that previous to the Great War foreign tourist travel in Europe was worth annually to the countries visited well over a billion of dollars. In France alone this revenue was placed by economists at something between $500,000,000 to $600,000,000. For Switzerland the sum of $150,000,000 was claimed from this same source and in Italy $100,000,000. The Rhine, that great show river of Europe, was said to be worth about $100,000,000 annually to Germany as were also the numerous seaside resorts of

the Baltic and the North sea. It is claimed —and this is said to be a conservative estimate —that Americans alone spent in excess of $450,000,000 in one year in Europe and that their additional outlay on this continent amounted to another $300,000,000. Figures carefully compiled by hotel and transportation companies in the New England states show a revenue from tourist traffic of over $100,000,000 per year. No resources are destroyed by such a trade. The national wealth increases without depleting the national resources. Take the pine woods of Maine, for example, where revenues are estimated at over $40,000,000 per year, not a single stick of timber needs to be cut to produce this revenue. And, again, it has been proven, beyond doubt that such places as Bermuda, Florida and California are adding more to their wealth through the commerce in their climate and scenic beauties than through the products of the soil.

The war, probably was the greatest factor in making statesmen realize the immense economic value of the tourist traffic. For the first time Europe realized the magnitude and very great importance of the revenue they lost by the cessation of this traffic. Travel is necessarily international and national in character; but, as is apparent, the greatest benefit is derived from outside travellers as they are bringing in outside wealth. In France, a full year before the end of the World War, it was publicly declared that the country must look to tourist travel as one of the easiest ways of replenishing her depleted treasury. They at once created a special department of the government known as the Tourist bureau for the purpose of developing the tourist business of France, and voted 30,000,000 francs for this purpose. Italy has taken official steps along the same lines as well as Switzerland, whilst in other countries official recognition has been given to the great importance of this basic industry. For such it is.

As regards our own Dominion, it is pleasing to note that probably the greatest step towards the conservation of natural scenery and beauty was taken by our federal government. I refer to the creation of national parks. Has it ever occurred to hon. members that though this was one of the last of our resources to be recognized economically, it was also the first in regard to which the great principle of public ownership was adopted.

The first serious step in this direction was in 1885 when the government set aside 10 square miles for public park purposes including Banff Hot Springs. This area was increased to 260 square miles about two years later. During the discussion on this bill, I noted with special interest the words of Sir John A. Macdonald, speaking in this House on May 3, 1887. He foresaw with his usual shrewdness the economic value of such a park, and he stated that, in his opinion, not only would it recuperate the people, but it would recoup the treasury as well. I believe I am on safe ground when I say that this prophecy has proven true. To-day this area comprises 2,751 square miles and has the additional charge of protecting wild animal life. Gradually were added Jasper park, Kootenay national park, Waterton lakes national park and other smaller, but nevertheless beautiful and important sections, until we now have practically 10,000 square miles of National parks in Canada. And from information I have been able to gather, several areas are again being considered by the provincial governments for addition to this reserve of beauty.

Unhappily the original step of reservation was not followed by any intensive policy of development, and it was not until 1911, a few years only before the Great War, that the National Parks branch was created, as a special division of the Department of the Interior. That this step was amply justified is evidenced by the rapid development which has taken place since that date. It is a matter of common knowledge that the very active policy of this department, the development of good roads and other conveniences, the advertisement of our railways and steamship transportation companies and widespread publicity from other sources have resulted in a steady growth of travel from other countries to these parks which now bring in many millions of dollars a year. Now, Mr. Speaker, though the extent of our National parks may appear to be great, in reality they represent only less than one half of one per cent of the total area of this country, and they do not begin to represent the great areas eminently suitable for this purpose. We possess a great number of areas extremely suitable for the attraction of the tourists of other lands, and the sooner we realize the economic importance of such a trade, the sooner we shall actively develop this element of our foreign trade.

I might instance a few of the very outstanding territories, beginning in the extreme east. First, we have the well known Bras d'Or lakes of Cape Breton and the many beauty spots of the Land of Evangeline. We then have that wonderful Garden of the Gulf in Prince Edward Island. Travelling west up the St. Lawrence river, we have countless

quaint and historic points in the old province of Quebec, including the far famed Murray Bay, of which I hope we may hear more from the hon. member from that wonderful district. Who will deny the beauties of the Laurentides and of the Saguenay district? Coming to this city in which we legislate, we are at the entrance of that wonderful district of the Gatineau rapidly becoming known from end to end of this continent and beyond. Who will not admit the wonderful beauties of the Thousand Islands at the head of the St. Lawrence river and the attraction which they have for thousands of visitors annually. Still further west we have the Muskoka lakes district and the Georgian bay country, and the same condition is found through to our Pacific coast. There is not, in my opinion, a single province of this Dominion which does not possess some territory of outstanding beauty and interest capable of attracting tourist traffic and providing a real benefit to the entire country.

Because I am more familiar with my own district and believe it to be one of the very best from the tourist standpoint, I will devote particular attention to it and endeavour to make my point for the development of this part of our basic resources by showing what this district has already done and what it is capable of doing. The Muskoka lakes district and the Georgian bay country are really the " Playground of America" in the making.

I do not desire to tire hon. members with a mass of statistics bearing on this important phase, but I would ask their indulgence for a few moments and that they allow me to quote a few of the most important. First it is necessary to realize the value of this industry, and I believe a fair conception of what it is now worth is possible by the following statistical comparison. Taking only those industries which are absolutely basic we get this amazing comparison. The figures are for the year 1923, and are as follows:

Agriculture and agricultural products.. ..	$407,760,000
Wood and wood products..	228,756,205
Tourist travel, estimated..	136,000,000
Animals and animal products..	135,000,000
Minerals and mineral products..	123,142,653

Is it not amazing to find this item of production to which we have paid so little attention with a value higher than that of our animal and animal products or than the wealth produced by our mines? What could we not expect from this important national resource if we were to give it the attention which it undoubtedly deserves?

In the Georgian bay we have, not a thousand islands but thirty thousand, and in the Muskoka lakes district we have scores and scores of wonderful lakes of various sizes in that wonderful district of the Highlands of Ontario. At the present time some development has taken place and the country is fairly well supplied with navigation and railway transportation. There are also some good roads, but I say without hesitation that only a very small start has been made and the development is not at all commensurate with what is possible and with what should take place. A carefully planned development would make of this locality just what nature seems to have intended for it, the playground of America.

Taking only the three districts of the Georgian bay, the Muskoka lakes and the Lake of Bays, all within the electoral district of Muskoka, we find that, taking only the principal hotels and resorts, there is already accommodation in 155 such public places for over 10,000 guests. Besides this there are a large number of cottages and many people spend their holidays under the protective shelter of tents. But this is not all; there are besides a large number of summer resorts and residences privately owned and privately occupied, and each year sees an increase in the number of these. Hundreds of these places are owned by our American friends and you may rest assured that they are our unpaid advertisers.

Let us for a few moments look at the visitors who came to these hotels. In the Royal Muskoka, alone, that wonderful summer resort, set like a sentinel in the midst of that myriad of sparkling lakes, brooks and rivers that are everywhere to be found, that district which is the holidayers' preferred haunt, the fishermen's paradise and the ideal place, if one there is, where the strength, waning from a season's labours can be recuperated with the unparalleled enjoyment of the beauties and tranquility of nature, 14,950 guests were registered, during 1923, of whom 45 per cent were from the United States. Supposing that each of these guests spent only $100 on their holiday we have for the visitors of this hotel alone a total of $1,495,000. At the Bigwin Inn, on Bigwin island in the Lake of Bays, another diamond set in a district so beautiful that it beggars description, the season of 1923 saw 1,720 guests of whom 42 per cent came from the country to the south. The total given is exclusive of 455 guests comprising four separate parties staying from two to four days.

At this point I would quote some figures taken from the register of Bigwin Inn showing the number of guests from the various prov-

inces of the Dominion who stayed at the hotel in the year 1923. From Alberta there were 3, from Manitoba 1, from Ontario 923, from Nova Scotia 2, from Quebec 54 and from Saskatchewan 2. From the United States there were the following: California 3, Connecticut 4, Delaware 3, District of Columbia 5, Florida 3, Illinois 63, Indiana 15, Iowa 2, Kentucky 1, Maryland 14, Massachusetts 13, Michigan 76, Minnesota 2, Mississippi 2, Missouri 1, New Jersey 12, New York 227, North Carolina 1, Ohio 162, Oklahoma 4, Pennsylvania 99, Rhode Island 3, Virginia 2, West Virginia 2, Wisconsin 2. This makes a total of 721. Taking as a survey, that each of the 155 places referred to, with their accommodation for 10,000 guests only, filled their rooms five times each during the entire season, we have a total of 50,000 guests, which at an average expenditure of only $100 each would mean a total expenditure of $5,000,000. From a very conservative estimate of the value of the investment in that region we find that in cottages, resorts and launches the total investment in the three sections of Muskoka, Lake of Bays and Georgian bay, and Muskoka lakes, is well in excess of $20,000,000. And the investment is rapidly increasing from year to year.

On the Muskoka lakes alone we find this remarkable summary of investment, and my authority is no less a person than the manager of the Muskoka Lakes Navigation Company:

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

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

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

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

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

I have here a mass of statistics from different parts of the country, but at this late hour I will not attempt to read them. They are along the same line and perhaps some other hon. gentleman at a more favourable opportunity may allude to them. Just recall to mind the number of already famous places from the Pacific to the Atlantic and it is easy to realize that this Dominion can be made the playground of America, the paradise of holiday seekers. Why, the possibilities of the Muskoka district alone are practically immeasurable A careful study of population and travel distances has shown that within one day's journey to this famous region there are in the United States 43,000,000 of people who own and operate 5,200,000 automobiles.

I want to put on Hansard at this point some statistics prepared for me and published in Automotive Industries of February 21 of this year. From these figures it will be seen that Ontario has a tourist field to draw from which has a population of nearly forty million people, operating over six million motor cars:

State	Total registrations	Passenger cars	Trucks	Ratio to population	Approximate population
Illinois	969,331	847,005	122,326	7·05	6,833,783
Indiana	583,342	510,114	73,228	5·18	3,021,911
Michigan	730,658	657,148	73,510	5·58	4,077,071
New Jersey	430,958	341,853	89,105	7·93	3,417,596
New York	1,214,642	966,386	248,256	8·97	10,825,338
Ohio	1,068,700	927,000	141,700	5·77	6,166,399
Pennsylvania	1,064,624	899,696	164,928	8·60	9,155,766
	6,062,255	5,149,202	913,053	.....	43,497,864

If only one in the hundred of the automobile owners could be enticed to spend a vacation in the Muskoka lake district and that each party consisted of three you would have a total of 156,000 people from that section of the United States alone spending at least $15,000,000. And this of course is a very conservative estimate.

Turning for a minute to the automobile traffic over our borders, we find still more amazing results. In the year 1923 the Customs department recorded entries of 1,936,598 cars. A large number of this total of cars stayed in Canada for a period of only 24 hours or less; on the other hand, more than 200,000 stayed for a period ranging from two days to one month, and some 3,000 cars stayed from one to six months. Even taking a most conservative estimate of three passengers per car, and an average expenditure of only $20 per car, we obtain a total expenditure from this source alone of $40,000,000. And when we consider the cost of maintenance and upkeep, gasoline, oil, and so forth, for the car and the food and lodgings for the passengers, without even including the large sums spent for souvenirs, entertainments and so forth, we readily realize that this is a most conservative total.

One need not however consider these figures large, as they are very much below the business which we have a right to expect. With our immense resources for pleasure making and the unsurpassable natural beauties which we possess, it is within our power to develop a tourist traffic which will be one of our largest assets of external trade and one which, whilst producing immense revenue, will take nothing of our wealth of natural resources. Yes, indeed, Mr. Speaker, we could develop a tourist traffic which would go far towards replenishing our treasury and bringing to us a trade which would be the source of much employment and considerable revenues to our transportation companies.

At this point let me read a paragraph from a letter dated April 23, 1924, which I have received from the Canadian National Railways. The writer says:

> During the months of June, July and August, 1923, which would be considered the tourist months, the lines of the Canadian National Railways in the United States sold approximately 250,000 tickets for Canadian points, representing a revenue to the Canadian National Railways of approximately $2,000,000.

It has been estimated that Canadians spend annually approximately $50,000,000 in seeking vacation, health and pleasure in the United States. Is it not right to believe that if our 9,000,000 of people furnish that revenue to our neighbours, we can reasonably expect from their 110,000,000 of population at least ten times as much, or some $500,000,000?

In this connection I may quote no less an authority than Dr. P. E. Doolittle, President of the Canadian Automobile Association. In a letter addressed to me under date of April 14, 1924, he says:

> I have several times made a statement on the public platform that our objective in cash value for tourist business should be $500,000,000 annually, or ten times the amount Canadians spend at winter resorts in the United States; the population being more than ten times ours would make it an even trade off for them to visit us in ten times the numbers that we visit them.

This should be our objective, and we should also endeavour to convince Canadians that there are within our borders natural beauties that are well worth a visit to see and to enjoy. I am not asking that we should discourage visits to the United States. I realize that a great part of this traffic takes place during the winter months, when their latitude supplies such places as California and Florida with a climate which is naturally much sought for during our cold winter months. I would ask these people however, if they have not already done so, to visit our beauty spots during the summer season,—then when they again journey to the warmer climes they would be anxious indeed to become the advertisers of our wonderful playgrounds.

I repeat, Mr. Speaker, that the most profitable source of revenue, in so far as export trade is concerned, is produced by our tourist traffic, and these invisible exports should furnish a very great source of revenue. I firmly believe that our government can no longer afford to neglect this basic industry, for such it undeniably is, and should at once give it the consideration which it truly deserves.

I would point out, especially to my friends the Progressives, that great benefits to the farming industry of this country would ensue from the development of our tourist traffic. It is conservatively estimated that one-half the expenditure of tourists goes for food, and that one-third of every dollar finds its way into the rural sections. Such being the case —and from a wide study of the conditions I am convinced that this estimate is very near the mark—if we developed our tourist traffic to produce even $300,000,000 per year it would add a market of $100,000,000 for our farmers. Is there any one who would deny that this large sum would be of very considerable influence and benefit towards rectifying the conditions of which we are complaining to-day?

I would suggest, Mr. Speaker, for the serious consideration of the government,

first, that a thorough study of the situation be made in order to establish a special government department, preferably in charge of a cabinet minister, for the purposes of developing our tourist trade.

There should be established active co-operation with the various provinces and with every interested organization. Advertisements should be carefully arranged so as to coincide with the advertisements carried on by transportation companies and others. Every effort should be made to see that tourists receive the best treatment possible and that they be warned against any—and there exists some, unfortunately—who charge exorbitant prices. Good roads should be developed with national aid, where they are built in those beautiful scenic places which we possess, such as for instance, the Gatineau valley in the province of Quebec, the Bras d'Or lakes in Cape Breton and the Highlands of Ontario in the region of the Georgian bay and the Muskoka lakes. Careful planning would be necessary, and I am sure that within a very short time the expenditure would be more than justified. And after all, I am convinced that one very good way of obtaining really desirable settlers in our country is to enable them to see how beautiful it is and how great are the advantages. It is also one of the very finest of methods to encourage the development of all our industries. When an investor realizes for himself the immense natural advantages which we possess it will not be long before he is looking for places where he can invest capital in the development of industries.

If I had the time, Mr. Speaker,—I wish to finish before six o'clock—I could instance some very outstanding cases in your own province where very great development has taken place, especially along power lines, simply due to the mere accident of some tourist happening to visit that country.

I do not wish to take up more of the time of the House with this subject, which is so important, but I truly am convinced, that the government should give this matter full and earnest consideration. I believe that approval will follow from every corner of this chamber and that it will be looked upon very favorably by all the diversified interests melted into our national life.

Suffice it to say in closing that there seems no better way to develop and settle our country from every standpoint than to take advantage first of our natural scenic beauties and by their very attraction prove to one and all the wonderful possibilties of this great Dominion.

[Mr. Hammell.]

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

Thursday, May 8, 1924

The House met at three o'clock.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

Mr. F. S. CAHILL (Pontiac) presented the fifth report of the select standing committee on Railways, Canals and Telegraph Lines as follows:

Your committee have considered the following bills and have agreed to report the same without amendment,

Bill No. 33, an act respecting the construction of Canadian National Railway line, Kamloops-Kelowna division, province of British Columbia.

Bill No. 34, an act respecting the construction of a Canadian National Railway line to Cowichan Bay, on Vancouver Island.

Bill No. 35, an act respecting the construction of a Canadian National Railway line to Mile 100 on Vancouver Island.

Bill No. 44, an act respecting the construction of a Canadian National Railway line between Hanna and Warden, in the province of Alberta.

Bill No. 45, an act respecting the construction of a Canadian National Railway line from Loverna westerly in the province of Alberta.

Bill No. 61, an act respecting the construction of a Canadian National Railway line, being a joint section from Rosedale southeasterly in the province of Alberta.

Bill No. 62, an Act respecting the construction of a Canadian National Railway line to Pine Falls in the province of Manitoba.

Your committee have also considered the following bills and have agreed to report the same with amendments,

Bill No. 40, an Act respecting the construction of a Canadian National Railway line to Mile 41 of the Melfort Branch near Nipawin in the province of Saskatchewan.

Bill No. 49, an Act respecting the construction of a Canadian National Railway line between Dunblane and Mawer in the province of Saskatchewan.

Bill No. 54, an Act respecting the construction of a Canadian National Railway line between Radville and Fife Lake in the province of Saskatchewan.

Your committee recommend that the titles of the three last mentioned bills be respectively amended to read as follows: viz.

Bill No. 40, an Act respecting the construction of a Canadian National Railway line either to Mile 41 near Nipawin or in a northwesterly direction to a point in township 49, range 13, west of the second meridian, in the province of Saskatchewan.

Bill No. 49, an Act respecting the construction of a Canadian National Railway line between Dunblane and Mawer or a point west thereof, in the province of Saskatchewan.

Bill No. 54, an Act respecting the construction of a Canadian National Railway line from or near Radville, Bengough or Ritchie, in the province of Saskatchewan.

UNITED CHURCH OF CANADA

Petitions were presented from certain members of the following congregations, severally praying that the proposed legislation incorporating the United Church of Canada, be not enacted:

E. H. Tew and others, of Assiniboia,—Mr. Hopkins.

St. John's Presbyterian Church, Vancouver, B.C.; St. Andrew's Presbyterian Church, Vancouver, B.C.,— Mr. Stevens.

William Carruther and others, members or adherents of the Presbyterian Church,—Mr. Warner.

Petitions were presented from certain members of the following congregations and bodies praying that the bill now before the House to incorporate the United Church of Canada be passed during the present session.

Presbyterian Church at Govan, Sask.,—Mr. Motherwell.

Methodist Church at Boharm, Woodslee and Ruscomb; P.E.I.; Presbyterian Church at Wardsville, Ontario; Wesley Methodist Church, Fort William; Presbyterian Church at Khedive, Sask.; Methodist Church, Sydenham, Ont.; Methodist Church at Charlottetown, P.E.I.; United Church of Holmfield, Man.,—Mr. Reid.

Brown's Corners, Central and St. John's Presbyterian Congregations at Unionville, Ontario; Methodist Church at Fonthill, Ontario; Methodist Church at Plattsville, Ontario; Union Church, Oak River, Manitoba; Presbyterian Church at Elmwood, Ontario; Fenwick, Forks Road East and Mount Vernon Methodist Churches; Methodist Church at Thamesville, Ontario; Presbyterian Church, Carman, Man.; Methodist Churches at La Havre, Mount Pleasant and Dublin, Nova Scotia; United Church, Snowflake, Manitoba; Presbyterian Church, St. Lukes Congregation, Cape Breton; Grace Methodist Church at Fort William, Ont; Presbyterian Church at Kinmount, Ontario; Methodist Church at Elmvale and Allenwood, Ont.; Presbyterian Church, Maple Creek, Sask.; Methodist Churches at Northwood, Botany and Beechwood, Ontario; Union Church at Decker, Isabella and Orrworld, Man.; Methodist Church, Tweed, Ont.; United Church at Toulon, Sask.; Methodist Church at Petrolia, Ont.,— Mr. Pritchard.

Methodist Church at Heborn and Port Maitland; Rae Street Methodist Church, Regina, Sask.; St. Andrews United Church, West Summerland, B.C.; St. Pauls Methodist Church, Calgary, Alta.; St. Andrews United Church, Montague, P.E.I.; Methodist Church at Chumah and Hamiota; Presbyterian Church, Valleyfield, P.E.I.; Union Church, Ponoka, Alberta; Methodist Church, Clifton; United Church at Thessalon, Ont.; St. Pauls Methodist Church, Ottawa, Ontario; Presbyterian Church, Watson, Sask.; Trinity Methodist Church, Toronto, Methodist Church at Exeter, Ont.; Zion Methodist Church at Moose Jaw, Sask.; United Churches at North Antler and Pierson, Man.,—Mr. Sexsmith.

Union Churches at Avonlea and Hearne, Sask.; Methodist Church at Carleton Place, Ontario; Presbyterian Union Church, Edam; Presbyterian Ukrainian, Fort William, Ont.; Wesley Methodist Church, Ottawa East, Ottawa, Ontario; Methodist Church at Haleys Harton, Ontario; Methodist Church, Rosemount, Montreal; Methodist Church, Wroxeter, Ont.; Union Churches at Hargrave, Harmsworth and Victor, Man.; St. Andrews Presbyterian Church at Sunderland and St. Johns Presbyterian Church at Creswell, Ont.; Methodist Church at Riceville, Ont.; United Methodist and Presbyterian Church at Ballersea and Sunbury, Ontario,—Mr. Woods.

Methodist Church at Yarmouth, N.S.; United Church at Elkhorn, Manitoba; Methodist Church at Canning, N.S.; Presbyterian Churches at Grand Coulee and Sherwood, Sask.; Methodist Church at Plainfield, Ontario; Presbyterian Church, Pilot Mound, Man.; Methodist Church at Lethbridge, Alta.; Union Church Markinch, Sask.; Methodist Church Kildonan, Man.; Presbyterian Church, Clanwilliam, Man.; St. Pauls Methodist Church, Montreal, Que.; Union Church, Beaver, Man.; Union Church, Selton, Sask.; Methodist Church at Teeswater, Ontario; United Church, North Portal, Sask.; Methodist Church at Wheatley, Ont.; Presbyterian Church at Hanay and Hammond and Pittmeadow's, B.C.,—Mr. Rankin.

Carmichael Presbyterian Church, Regina, Sask.; Methodist Church at Fullarton, Ontario; Westminster Presbyterian Church, Regina, Sask.; Methodist Church at North Earls-

court, Ontario; Rhodes avenue Presbyterian Church, Toronto; Presbyterian Church, Argyle and Stonewall; Methodist Church at Wilfrid, Ontario; Strathroy Methodist Church at Strathroy, Ontario; Mrs. W. C. Smith and 124 others, Oak Lake, Manitoba,—Mr. Drummond.

Presbyterian Church, Gabarus, C.B.; Union Church, Rose Plain, Sask.; Lucky Lake Congregation, Lucky Lake, Sask.; Methodist Church, Stratford District, Ontario; Methodist Church, Phippen, Sask.; Union Church at Treherne, Manitoba; Methodist Church. Munson, Alberta; First Presbyterian Church, Wilton, Grove, Ontario; Union Church at Heron, Sask.; Methodist Church at Magogue. Que.; Methodist Church at Monkton, Ontario; St. Andrew's Presbyterian Church, Glamworth, East Middlesex; Methodist Churches at Prestonvale, Boyds and Playfair, Ontario; Union Congregation of the Union Church at Port Sydney and Utterson; Talbotville circuit Methodist Church of Talbotville, Ontario; Toronto District Association of Congregational Churches; Shaw Memorial Methodist Church at Montreal, Quebec,—Mr. Hodgins.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—OPERATING RATIOS

Sir HENRY DRAYTON:

What were the operating ratios of the Atlantic, Central and Western regions of the Canadian National system for the year 1923?

Hon. Mr. GRAHAM:

Atlantic Region.. .. .. 123.23
Central Region.. .. .. 85.38
Western Region.. .. .. 102.80

QUESTION PASSED AS ORDER FOR RETURN

GOVERNMENT PURCHASES OF AUTOMOBILES

Mr. McBRIDE:

1. How many passenger automobiles have been purchased by the government in each of the years—1919, 1920, 1921, 1922, 1923 and 1924?
2. What has been the cost of upkeep of such cars in each year?

BEAUCHAMP'S SENTENCE—THE LASH

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): It is two weeks to-day since the Minister of Justice (Mr. Lapointe) made a statement to the House with reference to the Beauchamp case. On that occasion I asked him whether he would lay on the Table the actual order issued from the Department of Justice in the case and his answer was, "With pleasure". He has not given himself that pleasure yet. I do not know why two weeks should be required to lay on the Table one paper from the Department of Justice.

Hon. GEORGE P. GRAHAM (Minister of Railways): The Minister of Justice is giving himself the pleasure of attending a wedding to-day, but I will call his attention to the remarks of my right hon. friend.

Mr. MEIGHEN: Will my hon. friend break in on the wedding to advise his colleague that I should like laid on the Table, as well, the general order in respect of prisoners to be lashed, referred to by the minister in his own statement? I have reference to the general order covering all cases and which, according to the minister, rendered the issuance of the order in this case, superfluous.

THE BUDGET

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

The House resumed from Wednesday, May 7, the debate on 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 Mr. Woodsworth.

Mr. W. J. LOVIE (Macdonald): I wish to congratulate the Acting Minister of Finance upon the able, businesslike and statesmanlike manner in which he has introduced this his first budget in the House of Commons of Canada. It was not a lengthy address; but it was clear, concise and to the point, and left no doubt in the minds of all who heard it that a serious, determined effort had been made to fulfil the promises made in the Speech from the Throne.

The Speech from the Throne hinted at a balanced budget, and we find in the budget that there was a surplus of revenue over expenditure for the past year of $67,750,000 with a $30,000,000 reduction in the national debt, and a promised reduction in taxation of $24,000,000. Also we find that the customs tariff on agricultural implements has been reduced, and the sales tax done away with on these articles. The sales tax on boots and shoes has been reduced by half, and the general sales tax has been lowered from 6 per cent to 5 per cent, which, although it is not much of a reduction, will assist in a small

measure to reduce the cost of living for the workingmen all over Canada, who for the past few years have found it very hard to make ends meet and carry on.

For the past number of years Canada has had the unenviable reputation of being the most expensive country on the face of the globe to live in, and an appreciation of that fact by those in authority, and a determined effort to do something to change these conditions, will go a long way towards restoring confidence in Canada by those who are seriously asking themselves the question: Is it worth while to carry on any longer in the face of conditions such as prevail at present, and have prevailed for the past few years?

What are the conditions that prevail in Canada at the present time? Hon. members who have preceded me in this debate have each and every one described conditions such as actually exist in his own particular part of the country, and have made an honest attempt to find a cure for these unfavourable conditions, therefore, I will endeavour, with the permission of this House, to describe the position of agriculture in the province of Manitoba, the province that includes within its boundaries the city of Winnipeg, the gateway to the great West, and often named the Chicago of Canada, and which is destined in the future to outrival even that great American city. The city of Winnipeg is a large distributing and railroad centre. All the wheat raised in Manitoba and Saskatchewan, and until quite recently, Alberta, passes through Winnipeg, and is graded there en route to the head of the lakes. Large stock yards are located at St. Boniface for the handling of the live stock for the three prairie provinces, and large wholesale warehouses for the distribution of agricultural machinery and implements. There are also available all the necessaries of life to make Winnipeg a large distributing centre; but it is not a manufacturing city—at least not yet. These stock yards are a credit to the Department of Agriculture as well as to the United Grain Growers in Winnipeg, to the extent to which these institutions have contributed to the success that has been attained. And these are co-operating splendidly in order to retain the farmers of Manitoba in the business of fattening cattle in winter. The Department of Agriculture is paying fares of farmers to Winnipeg and paying half freight on all cattle taken from the stock yards for winter feeding. The United Grain Growers are doing an admirable work in the collecting and grading of cattle in carload lots for shipment, and these carload lots are made available to the farmers.

The province of Manitoba is largely agricultural; wheat is its main product, but in conjunction with wheat the farmers raise oats, barley, rye, flax, potatoes, vegetables, horses, cattle, sheep and swine, and have for sale butter, cream, poultry, eggs, and so forth. The soil is really choice, being in most cases a deep black loam on a clay sub-soil, and the climate is admirable.

What is the financial situation of farmers in the province of Manitoba to-day? If the House will bear with me I will describe conditions in the exact words of one who described them to me, and who is experiencing these conditions. The language is not parliamentary, but is is expressive. Here it is: "We are getting enough to eat, but we are most viciously short of money." In the municipality in which my farm is situated the secretary-treasurer informed me during the Easter recess that on January 1, 1924, only 50 per cent of taxes were paid, and no mention is made of taxes that were paid by money borrowed from banks, loan companies, and so on as that cannot be ascertained. The crop of 1923, which promised a heavy yield, rusted badly, and was a financial loss, as the expense of harvesting and threshing was very great. The crop of 1922 did not pay more than 50 per cent of the cost of production, although it was a fair crop of splendid quality. The cost of production in Manitoba is so high that agriculture since 1920 simply cannot be carried on profitably.

To get a foundation upon which to study this question, everyone should seriously put before himself this problem: Is a farm in Manitoba to-day an asset or a liability? Frankly, in answering this question I would say, both from experience and observation, that a Manitoba farm is a liability. When we admit the fact that a Manitoba farm is a liability is it not a good premise from which to start to find a remedy for such conditions?

Now, the two main sources of revenue for Manitoba farmers are wheat and fat cattle. Wheat there is always a market for—at a price; but with cattle it is different, the demand being seasonal, but it is generally conceded that the spring market is the best market in Manitoba for beef cattle. Of course, there are other sources of revenue, such as sales of horses, swine, butter, eggs, poultry, and so forth, but these are only incidentals, wheat and cattle being by far the main money crops and wheat the principal one.

Mr. SPEAKER: Order. There is too much conversation going on in the chamber. I think in justice to the hon. gentleman who is

addressing the House hon. members might keep silence.

Some hon. MEMBERS: Hear, hear.

Mr. LOVIE: Western Canada raises a large surplus of wheat which has to find an outlet on the open markets of the world in competition with wheat from all the great wheat producing countries. Her farmers are thus compelled, by circumstances over which they have no control, to take for their wheat, their main money crop, what it is worth on the open markets of the world, less storage and transportation charges. Their surplus cattle find an outlet in Great Britain, but again this is the proposition of a free trade market, and after long rail transportation charges are paid to the seaboard, and ocean carrying charges, about all that is left to the farmer is the pleasure that he can take out of the steers' company.

What are the main features that go to make a Manitoba farm a liability? High taxes, high cost of necessaries of life, including clothing, boots and shoes, high cost of agricultural implements, high freight rates, high express rates, and high interest charges on borrowed money. All these combined compose a dose of foes and woes, which are sapping the very heart blood, and demolishing the morale of every farmer in Manitoba.

To those who are giving the matter serious consideration, the most pressing problem in Manitoba to-day is: How to make Agriculture profitable? It is a recognized fact that if agriculture is profitable, every line of business will be profitable also, but if agriculture languishes all industries in turn suffer. Here I will quote from an editorial in the Free Press of recent date. It says:

> Farming is the real business of western Canada. Western Canada, country, town and city lives on what is taken out of the soil. The more wealth produced out of the soil the better off the country will be. If the farmer is going to be put out of business by conditions that make it impossible for him to get even a small profit on what he produces, then the whole country is in for a bad time. Enabling the western Canadian farmer to make a profit on his grain and on his live stock should be the job of every citizen in this western country. To-day Europe is the main market for the farm products of western Canada, and the genius of the country should be devoted to making it possible for our grain and our live stock to be sold across the ocean in competition with the world and at a profit to the western farmer. It is a truism that if the western farmer is making money a condition is created wherein the general business of the country is put on a firm foundation and is able to look after itself.

What has been the position of agriculture in the past and why was there no whisper of such conditions previous to the last few years? The answer is this. From the year 1907 to 1913 there was on an average 74 million dollars per year being circulated in Canada for railroad building, as the Grand Trunk Pacific and the Canadian Northern were then under construction. The money expended on the building of these railways going into circulation kept the wheels of industry in Canada turning in good style and everything was prosperous. But about the middle of the year 1913 this expansion came to an end. Hard conditions and unemployment would have struck Canada then, only for the fact that the war intervened and enlistment for overseas service gave employment to thousands who otherwise would have been idle. Added to this was the phenomenal crop of 1915, and the money obtained for the manufacture of munitions, which, combined, brought a lot of wealth into Canada.

When the world war started in 1914, and for years previous, prices between farm products and other commodities had been fairly established and presumably in accord with economic law extending over a series of years. Then during the years of the war prices of all farm products jumped to unprecedented heights. Those conditions we need not discuss, except to say that it is astonishing how little our farmers have to show after this great outburst of seeming prosperity. High prices, aided and abetted by a cry from those in authority, to "produce, produce, produce, if we wish to win the war," led to expansion, extravagance, and real estate speculation, and during that time labour climbed the ladder very rapidly. If now we compare the present ratio between the prices of the things the farmers have to sell, and what they must purchase, we find that the balance has been rudely disturbed, and until that relationship has been restored we cannot look for a genuine and permanent prosperity. Looking at the question from the view point of permanent national well-being, we may well shudder when we contemplate the consequences in the coming years unless this disparity between agriculture and industry is removed, and there is no doubt but one of the great problems confronting us to-day is how to restore a proper and healthful relationship between our industries and our agriculture.

Now, how are you going to make agriculture profitable? The hon. member for Fort William and Rainy River (Mr. Manion), and every Conservative member who has spoken, suggests one method, and the Acting Minister of Finance in delivering the budget suggested another. I am going to give the Conservative plan and I will take it first-hand from an editorial in the Manitoba Free Press, which puts it in shorter and much better form than I possibly could. Here it is:

Make it possible for capital to embark upon large manufacturing enterprises; these will give employment to large numbers of men; this will build up towns and induce prosperity; there will thus be opened up markets for the products of our natural industries; everything will then be lovely and flourishing, and pulling ever more vigorously upon our own bootstraps, we shall rise higher and higher into the warm sunshine of prosperity.

The Acting Minister of Finance (Mr. Robb) in his budget has suggested another remedy. He says:

Of these basic industries I would place agriculture in all its various branches first. Next to agriculture I would put our forests, our minerals and our fisheries. A real national policy is a policy that will encourage the growth and development of these basic industries.

That is the soundest bit of fiscal wisdom that has been heard from a Canadian Minister of Finance for many a long year. An economic policy in keeping with these views is what Canada requires, and it is highly encouraging to note that the modifications and changes proposed by the hon. gentleman (Mr. Robb) are all in keeping with such a policy.

Now, the Conservative policy in a very few words might be summed up in the amendment, which was really the logical amendment to a low tariff budget, introduced by the hon. member for Kent, N.B., (Mr. Doucet) in these words:

That the welfare of Canada requires a consistently maintained protective policy.

That sounds good. Who and what is going to be protected? Canada depends upon her natural resources for revenue, and of the four basic sources of wealth, namely, the ocean, the mine, the forest and the farm, the farm easily holds first place, the value of agricultural products exported being greater than the value of the products of the other three sources of wealth. Is it too much to ask that the attitude of the government in a country where agriculture holds first place should be to encourage and develop the basic industry of that country? Remove all handicaps that stand in its way and see that its produce has access to the best markets of the world at the lowest cost, at all times. Would a protective policy do that? Would it encourage and develop agriculture?

What is claimed by the exponents of a protective policy is that the tariff will shut out importations and enable industry to charge a big price to the people in the country. By getting a big price for their output owners of factories will be enabled to pay big wages to their employees, who in turn will be quite willing to pay an enhanced price for the products the farmer has to sell. But do these employees of factories pay the farmer an enhanced price for his surplus products? Not much! There is at present a great disparity in quantity between what the farmer raises and what the city man consumes; so an export market must be found; and the exportable surplus—be it small or large—regulates the price the farmer receives for his goods on the home market. Consequently, a protective tariff gives him no advantage in selling, and works to his disadvantage in buying. Were the population of a country evenly balanced between agriculture and industry, and that country entirely self-sustaining, a protective tariff would do no preceptible harm; it would simply be a merry-go-round which would hurt no one as long as no export trade was done.

Protection blooms and flourishes when the people of one section get an advantage by legislation over the people of another section of the same country, and this goes by the name of special privilege, but the real name is legalized robbery.

Will the protective policy advocated secure a home market for the farmer? Well, it might in a hundred years, but what agriculture needs is relief from the present unhealthy conditions; not a hundred years hence or next year, but now, at once, or else the farmers will be all in the poor house. Prompt action is imperative if Manitoba agriculture is to be salvaged. An increased dose of that protective tariff which has been largely responsible for the difficulties of Manitoba farmers in the past would mean sudden financial death to the majority of them, and agriculture in that fair province would become a thing of the past.

Would the protective policy that is advocated assist marketing conditions for the Manitoba farmer? No! It could not do so because, first and foremost, the protective tariff would cut off importation and would stand in the way of the selling of our products. No nation can trade with another nation unless the trade is profitable to both. No nation can sell to another nation unless each is prepared to take goods in exchange for goods exported. One nation exports its surplus, which the other nation needs, and takes in exchange the surplus goods of the country it sells to. International trade is not carried on by the use of money, but goods pay for goods and imports exceed exports if the trade is profitable. The reason for that is that the value of the exported article purchases goods on the foreign market which after being taken to Canada are of more value than the ex-

ported article; thus it is in the interest of a country to stimulate and encourage trade rather than hinder it. Besides, with assured traffic two ways, transportation charges would be far lower than would obtain with traffic on a one way basis, and the trade would be profitable to both nations engaged.

When a nation having a protective tariff wants to carry on trade, their method is—send an ambassador to the country to which they wish to sell their surplus to arrange for trade, and then raise a tariff wall against the surplus products of that nation, either to prevent those products from getting into the country, or else to make them so expensive that it is unprofitable to purchase them. It has been abundantly proved that the protective policy which is advocated cannot protect agriculture in Manitoba nor make it profitable. Those who will benefit by a high protective tariff are engaged in industry, and those who are going to suffer by this protective tariff are engaged in agriculture. No one engaged in agriculture is asking for protection; they know such a thing is impossible unless it take the form of a bounty, and they realize that that is impracticable as well as dangerous. But what they do ask for and demand in no uncertain terms is that the handicaps imposed upon agriculture by a protective tariff be removed, so that they may have a fair share of the good things of life which those engaged in industry enjoy. Should the tariff be raised, good-bye to the free, independent, courageous spirit which carried the young Canadian manhood so gallantly through the world war; the Manitoba farmer will be so crushed between the upper millstone of high protective tariff, and the lower millstone of high transportation charges that he will be reduced to the position of a slave or a Russian peasant, not the sturdy, clear-thinking yeoman we all wish the Canadian farmer to be.

If the protective tariff was raised, would anyone in Manitoba be benefited. Most emphatically I say, no. Manufacturers and dealers think they would be benefited; that they could succeed in extracting a little higher price for their output than they can get at present. But let me tell the manufacturer and the dealer in all articles which the agriculturist purchases that the farmer's purchasing power is down to a very low ebb, and a little more will put him out of business altogether. The matter with agriculture to-day is that the price of things the farmer buys is altogether too high in comparison to the price he receives for what he sells, and to pass legislation to make these necessaries of life and production higher in price would mean swift and sudden death to the farmer's business.

What is needed to make agriculture profitable in Manitoba is for the farmer to be able to purchase the necessaries of life and implements of production on the ratio of the price he receives for his produce—in other words, at a price set by the competition of the open markets of the world. The farmer knows that only under such conditions will agriculture, the basic industry of Canada, receive a square deal, and he is looking forward to a time when such conditions will obtain. He sees no reason why industry, which is catering to his requirements and which without him could never hope to keep alive, should be bolstered up by a protective tariff and given privileges for which he has to pay. The Manitoba farmer cannot understand why agriculture, which is the primary industry of the country, should be made to pay tribute to a secondary industry, neither can he understand the howl that comes from the owners of these industries that they must have increased tariff protection or else go out of business. The farmer argues this way: That the ability of any industry to establish and sustain itself in a free field is the measure of its public utility, and industries which cannot support themselves are not wanted or needed, the proper maxim being "A fair field and no favour." A protective tariff was introduced into Canada to protect infant industries, but though a great many years have elapsed since then, these industries still continue infants in their desire for protection, and the length of time they would continue to cry out for protection can only be measured by eternity, Experience has shown only too plainly that these interests figure that the fleecing of their fellow-citizens is a God-given right which no one has any liberty even to hint at taking away from them.

Let us now turn to the budget itself. The official opposition claims that the government has no mandate from the people to entitle them to lower tariff duties and that, therefore, before they do so they should appeal to the people; in other words, that there should be a general election. Let us analyse this demand. We all know that the Liberal party went to the country upon a platform of lower tariff; therefore it is obvious that their election on that platform gives them a mandate to make the duties lower. As the Manitoba Free Press says, it is hard to realize why a party elected upon such a platform should be censured and challenged for

reducing the tariff the little bit that has been done.

An attempt has been made by the Acting Finance Minister, in the budget he has just brought down, to grapple with the desperate situation which confronts farmers in the prairie provinces, but it is only an attempt and will not do very much towards relieving the situation. One thing it will do, and has already done, is to put the tariff squarely before the people of Canada as an issue, and personally I have no doubt the next election will be fought upon the tariff issue.

The one unfortunate thing about general elections is the fact that the real issue at stake is intentionally beclouded and sidetracked. Between flag-waving and the cry of loyalty and patriotism, the attention of the electors is drawn away from the real issue at stake; they are bamboozled and confused. The real issue in the next election will be high or low tariff, and it is up to every elector to make every prospective candidate declare himself squarely on that definite issue.

Now, what is wanted is a method of making agriculture profitable. The farmers of the three prairie provinces are doing their level best to have a wheat pool operating in each province to handle the 1924 and subsequent crops. The idea is to have an interprovincial pool in four years' time, and later an international pool to handle the wheat of the continent. They know they cannot raise the price of wheat on the world's markets, but they expect by the application of business methods and the prevention of dumping of wheat on the world's markets in a few months, to steady and regulate the price. The price of bread will not be raised to the consumer, as bread has been on the basis of $1.50 wheat for some time, but the pool will endeavour to see that the same intelligence and the same knowledge of world conditions are applied to the marketing of wheat for the benefit of the producer as are available to men engaged in marketing our manufactured products. The wheat pool is a big thing, the biggest yet undertaken in our western country, and something which may yet revolutionize marketing conditions for wheat.

That there can be money saved on marketing wheat, no one will deny. Last fall feed wheat sold at from 35 to 40 and 45 cents per bushel, sixty pounds, and it had to be all wheat, otherwise it would be docked. Wheat worth 40 cents per bushel by the load would be worth about 45 cents by the carload. At 35 cents the price would run to about $11.60 per ton, at 40 cents to about $13,25, and at 45 cents to nearly $15. At the same time that feed wheat is being bought on the open market at that price, recleaned screenings at Fort William are quoted at $23 per ton. Recleaned screenings consist of small wheat, cracked wheat, buckwheat, and wild oats with the black seeds screened out. On that price of $23 a ton, freight has to be paid. Bran is quoted by the milling companies at $23 a ton, and shorts at $25. Not so much money can be saved on the high grades. but a lot of low-grade wheat is included in the output every year, which no one can help, and which goes to the dealers practically at their own price.

Now I wish to say a few words on the question of transportation. The long freight haul operates against the Manitoba farmer but that can be easily overcome as the Hudson Bay railway, which we expect to have built and completed at an early date, will cut off a thousand miles of haul by rail and bring the prairie provinces close to seaboard. When the question comes before the House, more will be heard about the Hudson Bay railway.

Then there is also the fact that the Crowsnest pass agreement will come into effect on the 6th of July next, which will give relief to both East and West in the matter of freight rates, if the government just sits back and lets the agreement come into effect.

Express rates are also very high. During the Easter recess while I was West there was a meeting of farmers to be held in the town of Carman to discuss the express rate situation, but unfortunately on account of a snowstorm the meeting did not materialize. I was however, given specific instructions to bring before the House this question of express rates and to see if something could not be done to reduce them and bring them more in line with the price the farmer and his wife are receiving for the products they have to sell.

Then, with regard to export rates on cattle, which have been proved time and again to be too high, I wish to quote from a speech delivered by Sir Clifford Sifton before the Canadian Club last January. He said:

> Then take the question of cattle. Our government got the embargo taken off cattle. The rate on cattle from Montreal to Liverpool was $15. The ocean steamship companies put it up to $25 a head. And let me tell you, gentlemen, the Canadian Merchant Marine, the organization built with our money, at a cost of $70,000,000—instead of helping the Canadian farmer in this matter, they were in the job against the farmer, right up to their necks!
>
> There is nothing easier than to adjust this matter. The harbours of the world are filled with ships that have nothing to do—they can be hired, rented, chartered, without the slightest trouble. In twenty minutes the government of Canada could ensure a $10 rate from Montreal to Liverpool if they chose. Any well-informed person knows that $10 is a good profitable rate for carrying cattle from Montreal to British ports.

Colonel Mullins who is a very large feeder of cattle has this to say, with reference to the treatment he received in shipping a load of cattle across on the Victor, of the Government Merchant Marine:

> The capacity of the Victor is 230 spaces, those in authority say, and you must put 270 head on and pay at the rate of $25 per head. I put 247 head on and paid for 270, making the ocean freight cost $27.33 per head. This is an injustice and goes a long way to discourage the producing of cattle.

The Manitoba Free Press, commenting on this, says:

> The Canadian government's boat charged him $25 a head on the basis of 270 cattle for the boat, though the capacity of the boat at the standard rate of two-and-a-half feet per animal is 230 head.
>
> Although only 247 cattle were put on the boat the Canadian Government Merchant Marine charged on the basis of 270, making the actual charge $27.33 per head.
>
> When Col. Mullins made a protest to the Dominion Minister of Agriculture he got, in reply, a telegram stating that as he had shipped to Dundee in expectation of a better market the higher rate charged him was "warranted."

It is an acknowledged fact that rail transportation costs seven times as much as water transportation. We find that the rate from Winnipeg to Montreal by rail is from $10 to $11 per steer, while the ocean rate from Montreal to Glasgow is $20 or over, and as the distance is twice as great, the rates are practically the same. The ratio between land and water rates is generally seven to one.

Now I wish to say a word about income tax. I am not going to kick about the income tax, because I believe in it. In this debate we have heard a good deal both for and against the income tax as a means of raising revenue, and I am not going to enter into the controversy for or against, except to say that I believe the income tax has come to stay; but what bothers the farmers is the filling up of the income tax returns, as their system of bookkeeping does not lend itself to accuracy in detail. I have been asked to suggest to the Acting Minister of Finance (Mr. Robb) the advisability of appointing some official in each municipality, probably the municipal clerk if it was thought advisable, to assist the farmers in making out their income tax return. As all hon. members know, any member of parliament can call in the assistance of a gentleman, Mr. Gray, who is an expert, in filling up their returns, and he certainly does the job in a very short time, and there is no trouble afterwards. It does seem to me a hardship that farmers should be put to all this trouble, and they are asking that someone be appointed to assist them in filling out their returns who would guarantee that there would be no trouble afterwards. The filling up of the returns bothers the farmer considerably, but snappy letters asking for further information six months after the returns have been made antagonize them, as these letters have a tendency, and are intended, by all appearances, to make farmers feel they are criminals instead of what they in the main are, decent, law-abiding citizens. A change would certainly be welcomed in the line of assistance to farmers in filling up income tax returns.

4 p.m.

Now a word as to mixed farming. Farmers are very often urged in this House to go in for mixed farming if their farming operations are not profitable, but no specifications are given as to the particular branch of mixed farming they should go into. I see by the Manitoba Free Press of 3rd December last, that the Solicitor General (Mr. McMurray) speaking before the Reform Club in Montreal, said:

> Mixed farming is urgently needed in Manitoba. It is the only remedy in Manitoba for the problems confronting the farmer.

Mixed farming has been held up as a panacea for all the ills the farmers are suffering from. Well, Mr. Speaker, advice is cheap to give and those who know their subject the least are often the readiest to give advice. I should like to tell the House something that was told me by a gentleman actively engaged in mixed farming. He is a neighbour of mine and he and I were in Winnipeg buying steers for feeding. He said that the superintendent of the experimental farm at Brandon last summer sent out a request to all the farmers in the vicinity that any who felt they were not getting returns from their farms should write him a letter, and he would tell them how to put their farms on a paying basis. This friend of mind wrote to the superintendent, and the answer he received was this:

> I do not know what to advise you to make your farm pay. You are doing everything now I could advise you to do.

This gentleman raises wheat, oats and barley, also pure-bred Clydesdale horses and pure-bred shorthorn cattle; he milks from twelve to fifteen cows, feeds a carload of steers every winter, raises Yorkshire hogs, and raises also all kinds of poultry; and yet he cannot make farming pay, and the superintendent of the Brandon experimental farm says, "I do not know what to advise you to make your farm pay."

Mr. GARLAND (Bow River): Ask the Solicitor General (Mr. McMurray).

Mr. LOVIE: Yes. There is another thing I want to touch on, it was drawn to my atten-

tion in a letter not very long ago. In Manitoba this year conditions are very much the same as last, because the spring is late and wet, and we are very much afraid of rust. This writer says:

I am afraid the spring will be so late the rust will get us again. The rust is supposed to winter over on the barberry bushes. The United States seems to be cutting them down and destroying them as fast as they can, and I have often wondered if Canada had any barberry growing wild, and whether they were doing anything to get rid of them. It might be a good idea to ask a few questions on the subject. The Canadian government should take steps to find out if there are any barberry bushes. I believe there are some in the Riding mountains, and if there are they should be destroyed as quick as possible. It would be a whole lot better for Canada than these far north survey parties who get free cigars and cigarettes because it is a hard country to work in. Give them work of more consequence nearer home and let them buy their own luxuries. I want you to look into the barberry bush and rust business and if nothing is being done, make them get to work pronto. Just think of all the work I did on that 200 acres of summerfallow, and if it gets rusted the whole thing is a ruination business, as far as I am concerned.

I would like to bring to the attention of the Minister of Agriculture (Mr. Motherwell), if it is in his department, or to the attention of the Minister of the Interior (Mr. Stewart), the matter of these barberry bushes, in order to see that they are destroyed, or else I will get into trouble with the writer of this letter.

Cheaper money is needed for the farmers. Farmers are borrowing money at high rates of interest. They cannot afford to pay the rates of interest they have paid in the past. The following is part of an editorial which appeared in the Free Press:

Something worth while has been gained by the now general acceptance of the view that our commercial banks are not equipped to supply short term credits. Dr. Tory says this explicitly. The banks, until very recently, stoutly disputed this contention, declaring that the farmers who were entitled to credit could get it from them and pointing to their very substantial losses as proof that perhaps an excess of credits had been granted. No one will deny that the aggregate of loans given to farmers throughout the West within, say, the last ten years by the banks runs into large figures and that the losses have been great; but the lesson from this is that our banks are not equipped to attend to this business of giving rural credit and make a bad job of it, both from the point of view of their own interests and with respect to the interests of the farmers. Commercial bankers are not, in most cases, competent to determine the extent and character of credit that should be given for farm operations. Also countless farmers have been ruined by being given credit and having it called in the middle of the farming operations which were intended to produce the money to pay the debt, under peremptory arbitrary orders sent out broadcast from a head office in Montreal or Toronto. No system of banking based upon a ninety-day turnover with renewals dependent upon conditions over which the borrower has no measure of control, is fitted to supply short term credits for farm purposes. These credits need to run from nine months for ordinary farm operations to three years for the growing of live stock. Commercial banks cannot be relied upon to give these credits; and they should be retired from the job and the task of financing agriculture given to other agencies.

Nearly everyone who knows anything about financing farming realizes that a three months' loan is not of any use, and if the credit given to the farmer is going to be cut off at a critical period, he is going to be put out of business altogether.

In conclusion, I may say that this budget does not go far enough on the road I would like to see Canada travel, but I have consulted with some of my constituents and they are of the same opinion as I am, that it is moving in the right direction, and is only a forerunner of better things to come in the not very far distant future. Therefore I will have much pleasure in voting for the budget.

Mr. AIME BOUCHER (Yamaska) (Translation): Mr. Speaker, ever since my entering this House, I have anxiously been awaiting the budget which is, at present, under consideration. I am, therefore, pleased to congratulate the hon. Acting Minister of Finance (Mr. Robb) for having prepared and delivered such a budget, confident, as I am, that it conforms to the true Liberal principles as I have understood them heretofore and that it will be beneficial to the whole community.

I am astonished, Sir, to hear members who occupy seats on your right, in small number it is true, but whose talents and sincerity cannot be questioned, contending that the budget does not conform to the programme traced by the great leader who, during twenty five years, presided with so much glory and dignity over the destinies of the Liberal party. I am astonished, for if the contention of these hon. members is well founded, I am forced to confess that I have not understood anything of the political history of this country, and that I have preached, during the two electoral campaigns which I made, a gospel which does not conform to the teachings of my leaders. However, I know that I have not been a heretic and this I can prove very conclusively by Sir Wilfrid Laurier's public statement to the Canadian people, in 1917:

Should the people entrust me with the administration of the country, I would make it a point to immediately unburden the farmer of all vexatious custom duties. . . .

I would immediately abolish the duties on farm implements and other necessities with reference to farming as requested by the western people. And, I would consider as an essential duty of my administration a general and thorough revision of the tariff aiming at encouraging production in Canada and relieving the Canadian consumer.

Is there any need of further proof? The extract which I have just quoted is a distinct, certain and absolute pledge, and, this pledge does not stand alone; all Sir Wilfrid Laurier's speeches contain similar ones; the whole of his life, his policy has had for its aim the lowering of duties in order to help the consumer, and it is thus the people understand it. It is especially in that spirit that his opponents understood it, when in 1896, playing the part of birds of ill omen, they spread all over, proclaiming to the people that the return of the Liberal party to power would mean the ruin of our industries and the closing of the doors of our factories.

False prophecies! Wrong conjectures! On June 23, 1896, the Liberal party assumed power, in spite of these inauspicious prophecies, and, what happened? The factory did not close its doors, bankruptcy did not appear on the threshold of ruined industry; on the contrary, the wheels of industry moved more rapidly and powerfully, the chimneys belched out greater volumes of smoke and the country experienced an era of prosperity, such as it had never enjoyed previously, and which all agree to look back to as "the golden age of Canada."

What was, Sir, the reciprocity pact as to natural products put before the Canadian people, in 1911, if not a measure destined to favour the consumer, and especially to open up for the farmer, a market having behind it a population of 100,000,000, without gainsay, the most advantageous in the world, which, at present, is unfortunately closed to our farmer by the high tariff wall which the United States have erected? What opposition did this project so advantageous to the farmer and consumer, meet in the country, this project that had been the cherished aim of Canadian statesmen for a great number of years, and which the neighbouring republic had finally accepted? By whom and by what means was it fought by the same gentlemen who, to-day, oppose the Liberal party; by launching a wild campaign where cries of treachery and disloyalty filled the air by flaunting in our faces the phantom of annexation—Tory tactics, always using the same means. It is thus that Canada was deprived of one of the most precious advantages from an economic standpoint, and for which it may have to wait again many long years for its return.

In the course of the last two sessions, Sir, I have heard the members of the Opposition together with their leader, state and proclaim that the government has no policy, that it lacks sincerity and that it does not put into practice the principles expounded in its programme. And when the opportunity presents itself for the government to bring down in the House a budget, which although it is not the realization of the whole of its policy, yet is an important plank in its programme, we witness a repetition of what took place in 1896. There are still birds of ill omen which cry out the ruin of our industries, the closing of our factory doors, but not one of them has the courage to rise in this House to tell us: At least we admire you for keeping your word and we give you credit for your actions.

The seat which I occupy in this House, was not won by misrepresentations. During the two elections which I went through, one of which made quite a stir throughout the country, I came forward as a straight Liberal and I can state that the present budget is absolutely in keeping with the policy which I proclaimed and that I pledged myself to carry out. I consider that in public life as well as in private life, the first duty of an honourable man is to keep his word, and I am glad that the government offers me, to-day, the opportunity of fulfilling the pledge which I took towards the electors of my county, by voting for a budget framed with the ideals set forth in the one at present submitted to us.

From the outset of the debate on the budget, Sir, I have listened with much interest, either from one side or the other, to the expounding of two old principles which have used up much ink and brought on much discussion—protection and free trade. Let me make, what I may call, a statement of principles and define clearly my position. I think that such discussions are rather useless and do not shed much light on the problem to be solved. I do not favour a system of high protection which is countenanced apparently by a class of producers to the detriment of the consumer; neither do I believe in complete free trade which under the present circumstances, strikes me as an impossibility. I do not place much faith in these two political schools which belong to the past and whose methods are no more in keeping with the new conditions that have cropped up in the world since the general upheaval brought on by the greatest war of all times. A new epoch is at hand; blind is the one who is not aware of it. The economic axis, the social axis have shifted; yesterday differs from to-day. A new spirit is born; new needs exist, to which the statesman must adapt himself. In the economic sphere, in the scientific world, enormous progress has taken place within the last few years, which we must reckon with and I think it is impossible to tread the old beaten paths. It may be said

of economic systems, as well as of philosophical ones, that they are beneficial only in a fragmentary way. What suits a country at a given period, may certainly not suit it at another period of its development.

The nation whose legislators pass their time in discussing the old decrepit systems of protection and free trade runs the risk of remaining a long time stuck in the mire.

I have faith in a business-like tariff, aiming at giving all classes of society an equal share of justice and disturbing, the least possible, objects of general consumption and of first necessity I am in favour of continuing to give to the manufacturing industries the just share of protection to which they are entitled to develop and prosper, and I would be the last person to hinder the progress of these industries.

However, there exists in this country another industry, to my mind, far more important than the manufacturing industry upon whose success depends the prosperity of all the others, it has a working capital estimated at $6,500,000,000, and, its tillers, men, women and children represent 50 per cent of the population; they are the most peaceful the most law-abiding, the most industrious, the most worthy class from every standpoint, and yet this industry is in danger, it totters under the burden and is sadly going to ruin. I should like to see the farming industry receive the same protection, although by different means perhaps, as other industries in Canada. We have often heard, Sir, the contentions of the Western farmers in the course of the last two sessions; those of the East, although less clamorous, more discreet, are not the less afflicted and worthy of sympathy. This is a problem necessitating a solution. Canada will never be prosperous if farming lingers and dies. There still exists a marked unrest; one must realize it fully. I cannot say that the agricultural crisis which is being felt in this country, in the East as well as in the West, has received from the legislator all the consideration which its importance demands. How many members of this House still doubt that farming is in a critical stage? How many look upon the farmers as grumblers, extravagant people, impossible to satisfy? Nevertheless, it is an undeniable fact that, outside of a certain area around large towns, the farms do not pay for their upkeep. What would happen if the manufacturing industries found themselves in such an impasse? The powerful influence exerted by the manufacturers would be set in motion, parliament would be taken by storm, and no one doubts that in a very short while legislation would be enacted to remedy that state of things. The reason is that the manufacturing industry is organized, it possesses all the necessary means to protect its interests; the factory worker by slow progress, acquired through hardships, has also founded for himself an organization; he wields a powerful sword to have his wrongs redressed—strikes—and capital must reckon with him. The tiller of the soil, the man on the land is left to his own initiative. The farming industry lacks all those means and it should receive from the state the protection which is due to it so as to expand, develop and flourish. I think, Sir, that the farmer, the manufacturer and the artisan should make reciprocal concessions to one another. If I had to appeal to the natural impulse of the Canadian manufacturer, I feel confident that this appeal would bear its fruit. I shall simply point out where his interest lies, and may I tell him this: The farming class represents 50 per cent of the consumers of this country; they, therefore, constitute the half of your best clients. If you want them to buy your products, give them the purchasing power. The country trader complains of the lack of business, that sales are on the decrease; the wholesale merchant does less business with the retailer and the manufacturer will soon find himself obliged to reduce his output. Does the fault lie in the lack of protection? No, it is not for lack of protection, but because the most important class of society, owing to its numbers, the farming class, has lost its purchasing power. Change this state of things, make the agricultural industry prosperous and immediately a reaction takes place in all branches of industry. This argument seems to me self-evident. I am, therefore, right in stating, Sir, that the manufacturer should relinquish his selfish plans and accept with an open mind all measures of a nature to relieve from taxation the tiller of the soil so as to re-establish agriculture on a solid basis and give it a chance to rise and develop on an equal footing with other Canadian branches of industry.

To obtain this result, it is not enough to merely give advices to the farmer, the wisdom and seasonableness of which may be questionable. Advices are a good thing, no doubt, but it is the easiest thing in the world to give. To obtain such a result we must, first, do away as much as possible with taxation on instruments of production and the articles of first necessity. This is the present policy of the government and I want to heartily congratulate them. Secondly, we

must unburden ourselves of the public debt by means of the most rigid and strict economy. I wish to add, Sir, that I am a most determined partisan of economy in the administration of public affairs. I wish to give credit to the government for having suppressed this year, important amounts which were in the past uselessly spent, and I hope that it is just a beginning and that they will carry further this economy; for whoever in this House is observant in the slightest degree will readily notice that there is yearly not thousands but millions of dollars, which are squandered without any benefit accruing to the country. I strongly urge upon the government the advisability of carrying out this economic policy which the people demand and have a right to claim, and, I can predict to them that no one will be more welcome on election day. No doubt, there are other means which I do not intend to suggest; however, I think that we must not fear to depart from the trodden path and seek new remedies to meet new conditions. The legislator will not have fulfilled his duty towards the farming class if he does not give to the solution of this problem a special and continuous consideration. I am fully aware that the difficulties are numerous, but it behooves the statesman worthy of that name to rise to the level of such difficulties and solve them in a just manner. This problem must be solved by the party who constituted themselves the defenders of the people and the protectors of the weak, the champions of all the great causes, and who are actuated by the principles of equal justice and protection for all classes. I feel certain, Sir, it behooves the Liberal party to solve it.

Mr. H. C. HOCKEN (West Toronto): Mr. Speaker, before proceeding to make a few remarks upon the budget, I should like to associate myself with my colleagues from Toronto in presenting to the government a plea for an appropriation to begin the work of elevating the railway tracks across the water front of the city of Toronto. That may not interest some members of this House; but the request for that appropriation rests upon an agreement made between the two railways and the city. The government has now assumed the responsibilities of one of those railways. The other one—the Canadian Pacific—says it is willing to go on with the work; and all that is required is for the government of the day to make an appropriation sufficient to begin the work. In connection with this matter, there are two or three facts that I should like to lay before the House. In the first place, this is the most dangerous series of level crossings in the Dominion of Canada, and with regard to two of them, I think I might say, the most dangerous on the continent of North America. On holidays, and sometimes on Saturdays, as many as 100,000 people are compelled to cross twelve tracks to reach the water front, in order to enjoy the benefits of a city park across the bay. Those 100,000 people have to cross those tracks while trains are running up and down, east and west continually. What adds to the danger of that crossing is the fact that the coach yard of the Canadian Pacific lies to the south of the train shed of the Union station. Every passenger train that is made up by the Canadian Pacific must run out of the coach yard over those crossings and back over them again to the station before the train can start. Every train that comes in and is broken up has to go through the same performance. In addition to that, every train not only passenger, but freight, that comes from the east and every train that goes to the east has to use those tracks. Hon. members will see, therefore, that I am justified in describing this as the most dangerous level crossing on the continent of North America. The people who cross those tracks are very largely women with children,—Sunday school picnics where thousands cross to Island park at one time. That situation has been recognized as dangerous by the city and by the authorities for a long time. In the latter part of 1912, the city submitted to the railways a plan for the elevation of the tracks from the station to Cherry street, or further east to Logan avenue. The railways took the plan submitted by the city and they said to us: "It is not a good plan; it is not big enough. Our engineers have prepared a plan which is a great deal better than yours, and if you will take this, we will agree to it." The plan submitted by the railways increased the cost, as nearly as I can recall, about thirty per cent. It may have been thought at the time that the city would not be prepared to share the additional expenditure. The city authorities, however, at that time accepted the situation as presented by the railways. They agreed to pay their share of the more costly work. And from that day to this, nothing has been done. I appreciate the fact that during the war expenditures of that kind should not have been incurred; but to-day we are some distance from the war. Heavy expenditures are being made in other parts of the country, and surely for the protection of the lives of hundreds of thousands of people of the city of Toronto, some expenditure should be made

in order to remove the dangers of those crossings. Therefore, with as much energy as I possess, I press upon the government that an appropriation should be made this year for the beginning of that work which it will take some time to complete.

In the few remarks that I have to make upon the budget, I am not going to give any figures. The House has been surfeited with statistics which have been used to prove contradictory statements. I have no inclination in that direction, anyway. The way in which the Acting Minister of Finance (Mr. Robb) figures out a surplus simply by ignoring a bond issue of $50,000,000 reminds me of the fact that, as far back as I can remember, our provincial government in Ontario and this government, no matter which party was in power, claimed surpluses which existed by reason of juggling of figures. I do not think the people are impressed with that, and they are inclined to believe that a surplus produced by this kind of figuring indicates simply insincerity upon the part of those who are guilty of it.

For a portion of my remarks, I want to take my text from the gospel according to the hon. member for Brome (Mr. McMaster). He told us in his address the other day that one thing that has destroyed parliamentary government in some countries, and that has depreciated its prestige in others, has been the insincerity of public men. He continued:

> I believe that the people of Canada are sick and tired of men who advocate policies in which they do not believe, who advocate one thing at one time and another at another time.

The hon. member for Brome evidently had in mind the present administration. So fully convinced is he of the insincerity of the government that in order to preserve his self-respect he was compelled last session to cross the floor of the House and to take a position of complete isolation.

I entirely agree with the hon. member for Brome when he emphasizes the value of sincerity on the part of public men, of parties, and of governments. There is a spiritual quality in sincerity that makes the possession of it inescapable to the man of ordinary intelligence; and it is just as difficult to hide insincerity as it is to obscure sincerity. I submit therefore that if there is any one thing which a man going into public life should cultivate it is sincerity. People will forgive all kinds of mistakes in their public men, and they will respect their opinions no matter how much they may differ from them. But they will not tolerate for any length of time any insincerity on the part of their representatives either in this House or in any other representative assembly. I am going to try to prove—and I do not think it will be a difficult task—that for insincerity the present administration outclasses anything we have ever had in the history of Canada. They have attempted to overlay their unreliability with an appearance of sincerity, but in that they will not succeed.

Let me go back to the platform of 1919, when the Liberal party in solemn conclave adopted a plank practically of free trade, or at least one looking towards the continuous lowering of duties until free trade should be approximated. That was done, of course, as an appeal to the free trade party in Canada. And there are a good many men in the different provinces who believe in free trade. At any rate, the purpose of that plank was quite evident to the people. Well, when the time of the general election came along in 1921, instead of standing squarely on that plank of the platform, men representing the party at present in power gave secret promises to the business interests of the country that there would be no lowering of duties. In that act they proved their insincerity as a party. They had publicly declared their intention of reducing the duties, but they went behind the backs of the masses of the people to the business and financial interests of the country and said, "We will not do anything of the kind."

Now we have the hon. member for St. Lawrence-St. George (Mr. Marler) telling us in his address that he had the consent of Liberal leaders of repute to take a position on the tariff policy altogether different from that enunciated in the platform of 1919. And that hon. member has declared in this House also that his action was confirmed by the utterances of his leaders in the province of Quebec. He came into the House understanding that the tariff plank in the platform of 1919 was designed for the purpose of getting in upon but was not intended to be carried out and applied in the management of the public affairs of the country. He came in under misrepresentations. Now he has been convinced by the present budget that the Liberal platform of 1919 in regard to the tariff is after all to be carried out. And not only that, but the concessions which have been made to-day by the present budget are only a beginning in the direction of considerably lower duties. I submit that in this declaration of policy in the platform of 1919, and in the promises and the pledges which the party opposite made behind the backs of the people, the insincerity of the government is amply established. But we can go further than that. As the Liberal leaders, according to the hon. member for St. Lawrence-St.

George, gave these pledges that they would not reduce the duties, so in the first two sessions of the present parliament they implemented the promises they had made. They carried out the undertaking given to the business interests of Canada for the first two sessions. But now, in the third session, finding themselves in a minority, and having a desire to cling to office no matter what kind of violation of pledges is required, no matter how clearly they may betray their insincerity, they proceed to carry out the tariff plank of 1919. For two sessions the government adhered to the secret understanding which they had had with the manufacturers of the country, and they adhered to it so closely that hon. gentlemen to my left, the Progressives, found it necessary last year to introduce an amendment to the budget. And the hon. member for Brome was forced, by his conscience I suppose, to cross the floor of the House into a place of opposition. This year, I say, after having observed the secret understanding with the manufacturers for two sessions, the government, driven into a corner, proceeds to carry out the tariff plank of the 1919 platform and has brought down a budget which in itself, and in the method by which the duties are to be reduced, is an act of insincerity almost without parallel, as I shall endeavour to show.

In order to secure the support of the agrarian group in the House the government, apparently, a short time before the session opened, discussed the matter with at least leaders of that party and then came into the House, first with a Speech from the Throne that threatened reductions in the duties, and then with a budget making good that threat. By that action they have secured the support of the Progressives. They have reduced the duties on agricultural implements and implements of production, and then they proceed to bonus the industries that manufacture those implements, while reducing the duty 4 per cent or thereabouts, they hand to the agricultural implement industries concessions which carry more protection for these industries than they enjoyed before. I say that is an act of duplicity towards the manufacturing interests of the country. The government having reduced the duties on implements, hand over to the manufacturers a bonus of 5 per cent from the public treasury; for the removal of the sales tax is equal to a bonus of 5 per cent. And they give these industries their raw materials free, which is another concession the exact percentage of which I have not been able to calculate. Then, according to the Minister of Agriculture (Mr. Motherwell), they are going to put into effect freight rates for the benefit of agricultural implement makers which will amount to another 3 per cent. So that, to sum up, the government has reduced the tariff by 4 per cent, and has handed to the manufacturers concessions equal to about 8 per cent entirely in addition to the advantages they will derive from free raw materials.

A more devious method of reducing duties could hardly be devised. On the surface, they have reduced the duties on implements, as a matter of fact, the burden of that reduction has been placed entirely upon the steel and other industries that provide the raw material for the implement manufacturers. I ask hon. members in all seriousness: If it is fair and just to levy a 5 per cent sales tax on our industries generally, why should the agricultural implement industry be exempt? Are there not other industries just as deserving of consideration as this favoured industry? If the principle is right, if it is fair to levy a 5 per cent sales tax on the lumber industry, which is one of the most important of our industries, so that the cost of all building construction is increased to that extent, is it not equally as fair to reduce this cost for the benefit of the people generally as it is to reduce the price of agricultural implements for the benefit of a small percentage of the people? But I submit, Sir, that it is repugnant to sound principles of legislation that certain classes of business should be relieved of imposts, the burden of which has to be borne by others. No government can afford to play favourites in respect to the tariff, the levying of the sales tax, and the granting of preferential freight rates.

In my opinion, Sir, from the beginning to the end this interference with the tariff has demonstrated the insincerity of the government. First we had a declaration for lower duties, then the secret promises that those duties would not be lowered, then the violation of those promises, followed by the lowering of the duties and putting the whole burden on an entirely different industry. If that is not a proceeding unique in the political history of this country, then I have not followed it correctly.

Mr. SPENCER: Did I understand the hon. gentleman to say there had been secret promises given that the tariff duties would not be lowered?

Mr. HOCKEN: Yes, sir.

Mr. SPENCER: Will my hon. friend kindly specify those secret promises?

Mr. HOCKEN: We had a statement to this effect from the hon. member for the St. Lawrence-St. George division (Mr. Marler). Perhaps I had better give the statement to my hon. friend again, and then add some others for his information. The hon. member for St. Lawrence-St. George is a responsible member of this House, and this is what he said as I have copied his remarks from Hansard:

He had the consent of Liberal leaders of repute to take a position on the tariff policy altogether different from that which was enunciated in the platform of 1919. He declared that his action was confirmed by the utterances of his leaders in the province of Quebec.

If my hon. friend wants some further evidence let me quote from the French newspaper La Minerve, as it appeared in the Montreal Gazette of April 23rd last.

Mr. MACDONALD (Pictou): Does La Minerve support this government?

Mr. HOCKEN: I am assuming that the paper tells the truth.

Mr. MACDONALD (Pictou): I think it is a paper very close to my hon. friend and his party.

Sir HENRY DRAYTON: Then it is more likely to be truthful.

Mr. HOCKEN: I am going to read what the newspaper says, because its statements are very definite. This is the article:

The King government is finally deciding to throw aside the mask and reveal its true traits underneath —those of a sworn enemy to the tariff policy inaugurated by Macdonald and followed next by Laurier, the national policy of protection. It does not hesitate to betray the formal promises made to the electorate of this province in the course of the 1921 campaign, by Sir Lomer Gouin and the other Liberal leaders. It no longer hesitates to repudiate the solemn assurances of tariff stability given at the last session by Sir Lomer Gouin and Mr. Fielding. Laurier dead, Sir Lomer absent, Mr. Fielding sick, free trade comes up on the bill as the first article of the Liberal programme, while protection, on the contrary, becomes the enemy to be fought, whose head must be cut off, trampled under foot, and the rest scattered to the four winds of heaven. Since those who should serve it, betray it, it is necessary that the Canadian people take a hand in its own defence, as it did in 1878, and as it did in 1911. The older ones have not forgotten "the terrible years" which marked, fifty years ago, the first trial of free trade.

Mr. MACDONALD (Pictou): Does my hon. friend think this extract from a strong Tory paper like La Minerve is any evidence on the subject which he is discussing?

Mr. HOCKEN: I offer it as confirmation of a statement by a very prominent member of the Liberal party in this House, a man who entered parliament with the expectation on the part of a great many people that he would become finance minister.

Mr. MACDONALD (Pictou): Who told you that?

Mr. HOCKEN: That was the current report in the lobbies.

Mr. CASGRAIN: Not the best source of information.

Mr. HOCKEN: However, the Minister of National Defence (Mr. Macdonald) will not deny that the hon. member in question is a prominent Liberal member.

Mr. MACDONALD (Pictou): You were talking about whether he was going to be Minister of Finance.

Mr. HOCKEN: I said he was reported to be training for the post.

Mr. MACDONALD (Pictou): Training?

Mr. HOCKEN: Not now.

Mr. MARTELL: Will my hon. friend tell us what the Orange Sentinel said?

Sir HENRY DRAYTON: That also would be accurate.

Mr. HOCKEN: My hon. friend can depend on this. Mr. Speaker, that whatever the Sentinel says is the truth, although the paper has not yet dealt with this particular question.

Mr. MARTELL: Truth according to the hon. member.

Mr. HOCKEN: Truth according to the truth.

Mr. MARTELL: That is, according to the hon. member.

Mr. HOCKEN: Not according to the Nova Scotia idea of truth.

Mr. MARTELL: Truth according to the quintessence of hypocrisy.

Sir. HENRY DRAYTON: He does not mean that.

Mr. HOCKEN: I do not think he means anything.

Mr. MARTELL: He would not expect to take the hon. gentleman seriously.

Mr. HOCKEN: I do not know, Mr. Speaker, whether anyone takes the hon. member across the way seriously. We find him butting in on every debate and interrupting with irrelevant remarks every speech that is made on this side of the House.

Mr. MARTELL: Because it is all nonsense.

Mr. HOCKEN: If there is any member who should not be regarded seriously in this House I think it is the hon. gentleman himself. This statement may be by a Conservative paper, but no paper would dare to go as far as it has gone and mention the names of men who gave those secret assurances if it had not sufficient ground to warrant its assertions. Besides, the article confirms the statement made by the hon. member for St. Lawrence-St. George.

Mr. GUTHRIE: And the hon. member for Brantford (Mr. Raymond).

Mr. HOCKEN: Yes, and the hon. member for Brantford too. I have another quotation from a paper published at Three Rivers, Le Nouvelliste. I do not know whether it is a Conservative paper or not. However, it says:

> The present budget is like a finger placed in the wheel. The act is always exceedingly dangerous. If the whole arm is not drawn in, there is the risk of leaving at least a part of the skin. What will be the result of this new orientation? It will please the Progressives as much as it will displease the protectionists, not only the Conservatives, but the Liberals also. It outlines in advance the ground on which the next political battle will be fought. The immediate result is that it will increase the uneasiness from which a number of our industries already suffer. The workman who finds his source of livelihood in the work which the industries provide for him will not be the last to resent the reaction. Then there will be the farmer producer, of whom the workman, in the role of consumer, is the client. His buying power being further reduced, the workman will consume less of the farm products.

That is the opinion, evidently, that prevails in the province of Quebec—that this budget is a desertion of the Laurier policy. I am not surprised at the business men of the province of Quebec accepting the representations made to them, as was stated by Le Nouvelliste, giving the name of Sir Wilfrid Laurier. These same men, Mr. Speaker, had received similar pledges and promises from Sir Wilfrid Laurier years back. In 1896 assurances were given to the manufacturing interests of this country that they were in no danger from the lowering of the tariff. They acted upon that; they took Sir Wilfrid Laurier at his word. Sir Wilfrid was a man of his word and he carried out the undertakings that were given at that time. Naturally these same men or their successors in the industries of the country would suppose that similar assurances given at this time would be similarly carried out, but they quickly discovered that they had a different set of men to deal with.

I stated, Mr. Speaker, that while the duties have been reduced on agricultural implements, the agricultural implement manufacturers are not the ones to suffer; the burden has been placed upon others. I want to read a paragraph from an interview given by the secretary treasurer of the Steel Company of Canada, located at Hamilton. He says:

> Our industry is absolutely dependent upon an adequate protective tariff. In the past we have sold the International Harvester Company as much as $3,000,000 or $4,000,000 worth in one year. It seems to me as if the government has made a butt of the steel and iron industry. The budget certainly strikes us hard. Under the conditions imposed upon us by the budget I don't see how we can hope to compete with the United States.

So the relief to the farmer is a reduction of duties on implements, and the implement manufacturer is relieved by the handing of this burden over to the steel maker—the whole thing done in such a way as, I am sure, will convince the people of the country of the insincerity of the government.

But the worst feature of this budget, as I see it, is the widespread unrest that it has caused throughout the country. No manufacturer in Canada feels so sure of the immediate future that he would invest $10,000 in any enterprise at this time. These men have been living on their reserves for the last three years, and in many cases those reserves are exhausted, they certainly cannot hang out much longer. This threat of the "death knell of protection" has put all our manufacturers and many of our business men who are not manufacturers, in such a position that they are afraid to make any investments, afraid to make any expansion of their business, and they are retrenching in every possible way. Could any other result have occurred than an exodus from the country such as is now going on, and has been going on almost ever since this government got into power? If you go to the Detroit river you find the ferry boats crowded with Canadians who are going over to work in the United States, the trains are filled with the settlers' effects of Canadians who have gone to that country, to reside permanently. This exodus is not going to be stopped by lowering duties, by putting the manufacturers of Canada in such a position that they are afraid to make any extensions and are forced to retrench.

5 p.m.

That it is the intention of the government to continue the lowering of duties until we get approximately free trade must be taken, I think, as an accepted fact. The Minister of the Interior (Mr. Stewart) read a carefully prepared memorandum which must be accepted as a declaration of government policy. While it is unnecessary to follow his remarks

in detail, one phrase he used stands out with great vividness, namely, that the "death knell of protection" had been sounded.

Mr. SPENCER: Hear, hear.

Mr. HOCKEN: My hon. friend says, "hear, hear." What do hon. gentlemen to my left care whether the people of Toronto or of the county of York—as the hon. member for Peel (Mr. Charters) pointed out the other night, having as many people as there are in the whole province of Alberta—what do they care whether they drive those people over to the United States? What does my hon. friend care as long as he can save $5 this year on his implements? That kind of spirit will never build up a great country, you must have something different from that.

The hon. member for Brome (Mr. McMaster) spoke of protection as an appetite. Well, I would describe free trade as a delusion. My hon. friend will know how futile it is to argue with the man who is suffering from a delusion; in fact, when he reaches a certain point he is put under restraint. A man who is deluded with the theory of free trade is just about as hopeless to argue with as a child who knows nothing about it.

Mr. WARNER: I would like to ask a question. Does my hon. friend think that the Massey-Harris Company is under a delusion?

Sir HENRY DRAYTON: They are under a bonus.

Mr. HOCKEN: Not at all; I thought I had made it plain to my hon. friend that while this budget ostensibly hits at companies such as these, it increases their protection. It relieves them of the 5 per cent sales tax. It give them the benefit of 3 per cent in freight rates.

Mr. CAMPBELL: Will the hon. gentleman tell us if he is complaining about—

Mr. HOCKEN: Just a moment; one at a time. It gives them 3 per cent advantage in freight rates; it gives them their raw material free. Their protection, I should think, would be at least 30 or 40 per cent more than it was before the budget came down, but the burden is carried by other industries which have to rest more or less upon the implement industry.

Mr. FORKE: It may be an advantage, but it is not protection.

Sir HENRY DRAYTON: It is privilege.

Mr. FORKE: It is not protection.

Mr. HOCKEN: I do not care what you call it; it is a concession that enables the Massey-Harris Company to make more money under this budget than they made under the previous budget. Call it anything you like, but if that is not protecting industry then I do not know how to do it.

I will tell you how it came about that the western men got this free trade bug into their heads. For a good many years the Grain Growers' Guide talked free trade. The farmers of the West—the grain growers' organization, of course—grew up; they started a great weekly paper, and that paper talked free trade, free trade, free trade, to the people of the West day in and day out. The people never heard the other side of the argument. Nobody ever said to them that it was better to have a moderate tariff to build up industries, to have diversified industry in this country, than to try to make the whole country rest upon the agricultural industry. Nobody ever went that far, and by the propaganda carried on by the Grain Growers' Guide the people of the three prairie provinces have got it into their heads that no matter what the government does the only thing that will help them is free trade. A greater fallacy could not possibly exist. If free trade were inaugurated in this country tomorrow I am perfectly satisfied that those who would ultimately suffer the most would be the farmers of the western prairies. This is the way it would work out: In the first place, the industries of Canada would be destroyed and then they would be at the mercy of the great trusts of the United States, and those great trusts might be under some restraint by their own government, but could not be restrained by the Canadian government.

Mr. FORKE: I am not objecting to the hon. member's argument so much as to his statement as to the ignorance of the people in the prairie west.

Mr. HOCKEN: I think the hon. gentleman is hardly fair in saying that I called them ignorant.

Mr. FORKE: You said they read nothing but the Grain Growers' Guide.

Mr. HOCKEN: I say they never hear the other side of the story, and in my judgment the manufacturers of this country are to blame for that, for while the people of the West are being fed free trade there should have been some antidote administered to keep their minds from being poisoned. It

would have been much to their own advantage.

Now Mr. Speaker, I venture to make this assertion: There is no nation in the world to-day that is great, and no nation can become great, without a policy of protection to build it up. There is no great nation in the world to-day that has not got a protective policy except Great Britain, and Great Britain established its industrial pre-eminence through protection.

Mr. FORKE: That has been repeated time and again.

Mr. HOCKEN: But it seems necessary to repeat it to get it through the thick head of my hon. friend from Brandon.

Mr. FORKE: Hear, hear.

Mr. HOCKEN: There is only one way to get an opening into some people's brain, and that is with a hammer.

Mr. HOEY: Repetition does not necessarily make it true.

Mr. HOCKEN: No, but I am asserting it because it is true. If my hon. friend will go back to the time when industries did not flourish in Great Britain, he will find that at one time immense quantities of wool were grown in England. England at that time was a wool exporting country. It sent the wool to Flanders, where it was made into cloth, and then it was shipped back to England and bought at high prices by the English people. After a while the English people woke up and said: Why cannot we make this cloth ourselves? And they put an export duty on wool and stopped the wool going over to Flanders, and the result of that was that they established weaving industries all over England. The English people began making their own cloth, and from cloth they went on to cotton, and from one thing to another until England became the greatest industrial nation in the world. But all that rested upon a policy of protection in the first place. And that is what made the United States great also. You have not got to go very far back in their history, to the time of the Civil War only, when the United States was the greatest customer the British industries had. But after that time the United States established a policy of protection, and the exports from England to the United States have been falling off ever since and the United States has been growing in population and wealth. So I contend, Mr. Speaker, that this country which has such enormous natural resources ought to adopt a trade policy that will enable us to sell our finished product. Providence has endowed us probably to a greater extent than any other country in the world with great natural resources, and in some particulars Providence has given us a monopoly. We have all that is necessary to make this a great country both in population and in wealth, but in order to do that we must have diversified industries established in the fitting sections of this country, in order to provide employment for the artisans who will work in our factories.

I said before, Mr. Speaker, and I repeat now, that if our friends in western Canada have sufficient patriotism and are willing to assist in making Canada the great country that it is capable of being made, they should accept a moderate protective tariff, or as my hon. friend from St. Lawrence-St. George (Mr. Marler) calls it a cost of living tariff, a tariff not high enough to secure excessive profits to the manufacturer, but a tariff high enough to secure employment to the artisans of this country. If our friends were reasonable enough to accept that they would find—and even without showing any willingness to accept that, they are finding now—that the eastern provinces of Canada, both through their business men and through their representatives in this House, are ready to do everything that can be suggested to add to the prosperity of the western provinces.

Mr. WARNER: I would like to ask my hon. friend why protection has not done in the last forty or fifty years what he claims it is going to do now?

Mr. HOCKEN: Well, we have nine millions of people and our friends over the border have one hundred and fifteen millions. They are able to engage in mass production that is impossible in Canada, and it is quite impossible that this country could have been built up to the point where it could adopt free trade against the high tariff of the United States in the short period we have had to develop our industries. That is my answer to my hon. friend whether he will think it sufficient or not.

Mr. WARNER: Will protection create more people and more wants?

Mr. HOCKEN: I can tell my hon. friend this: When the protective policy was established in this country, the city of Montreal had about 250,000 people or less; to-day it has about 800,000 people. The city of Toronto had less than 100,000 people and to-day it has almost 600,000 people.

Mr. FANSHER: I would like to ask my hon. friend how much the rural population of Ontario has been depleted in the last twenty years to help build up Toronto.

Mr. HOCKEN: I think those members who come from western Canada ought to be able to answer that question better than I.

Mr. FORKE: The hon. member knows that the population of Toronto increased last year.

Mr. HOCKEN: I was answering the other hon. member. I say that if the rural population of Ontario has decreased, it has been for the benefit of the West. There are tens of thousands of Canadians in western Canada who were born in the province of Ontario and have gone out West to take up land there.

Mr. FORKE: I would draw the hon. member's attention to the fact that while he speaks of the depletion of the population of Canada and the exodus to the United States, the population of Toronto increased very much during the last year, so Toronto cannot be such a bad place to live in, notwithstanding all the hard tales we hear.

Mr. HOCKEN: We have the figures for last year which show there was a slight increase in the population of the city of Toronto but it was stated at a Rotary Club dinner in Toronto the other day by a responsible man that there are 7,000 vacant houses and apartments in the city of Toronto to-day. That will indicate to my hon. friend the extent of the exodus that has taken place from the city of Toronto since the last returns have been compiled, which would be April or March of last year.

Mr. FANSHER: Where did they go?

Mr. HOCKEN: Largely to the United States.

Mr. FANSHER: Why are they not patriotic like the agrarian citizens; why do they not go to our own Canadian West?

Mr. HOCKEN: I understand from what my hon. friends have said, that the patriotic citizens of the West are going over to the United States too. Have we not heard some calamity howling from that part of the House about the exodus of farmers from the West to the United States, of men who had abandoned their farms and their homes and left their debts to somebody else, and gone over to the United States?

Mr. WARNER: I do not think protection has helped them.

Mr. HOCKEN: Certainly free trade is not going to help populate the country. When you consider the decrease in the rural population it must be remembered—

Mr. FORKE: Keep in mind that we are not saying anything about the citizens of Toronto, not in the way in which you speak of the people of the prairie provinces. We never find any fault with the citizens of Toronto, about the way they live and what they are doing.

Mr. HOCKEN: I am not finding fault with the people of the West. I say they have a wrong idea of the tariff.

Mr. FORKE: We hear day by day of the blunders and mistakes and the foolishness of the West.

Mr. HOCKEN: There may be some reflections once in a while upon the members from the West, but I do not think I am guilty. It is only necessary to say one word about Toronto, and from this side of the House and the other side of the House we hear—

Mr. FORKE: No, no, no.

Mr. HOCKEN: Yes, yes, yes, over and over again.

Mr. FORKE: I deny it.

Mr. HOCKEN: We hear the expression "Oh, that is Toronto." That is the kind of stuff we get and we get a great deal more of it than others get from the city of Toronto.

Mr. FORKE: I defy the hon. member to find anything in my speeches in this House directed against Toronto.

Mr. HOCKEN: I concede that, but there are other members to my left besides the hon. leader of the Progressives.

Sir HENRY DRAYTON: They are all free members.

Mr. HOCKEN: When I was interrupted I was proceeding to point out to the members from the West what this House is doing for the West. What is eastern Canada, which is well represented here, doing for the West? In the first place, we voted $28,000,000 for branch lines, the greater number of them to be built in the western provinces, and I venture to say before they are completed the expenditure will run over $50,000,000.

Mr. SPENCER: Do you begrudge the building of these railways?

Mr. HOCKEN: No, I do not. My hon. friends are hypercritical. I am not begrudging them. I say that is what we have agreed to do for the West. If the hon. members of this House begrudged the expenditure they would not pass the measure.

Mr. SPENCER: Do you begrudge it?

Mr. HOCKEN: No, I do not begrudge it either. The people of eastern Canada are anxious to do everything to promote the prosperity of western Canada, and as evidence of that I offer the fact that this House voted $28,000,000 for the construction of branch lines on the prairies, to bring every farmer as close to a railway as he could get. That is only one thing. Money was voted last year, and more will be voted if it can be shown to be required, for an exit for the produce of the West by the port of Vancouver which is being developed. Two million dollars was voted last year for the construction of an elevator in that city, and this House will do more than that to give the prairies another outlet for their grain. In addition to that, I think this House on the whole looks favourably upon the completion of the Hudson Bay railway. I do not believe there is going to be any relief secured there, but the House has certainly not put itself on record as opposed to that project. In addition to that we have under discussion now—and I hope the project will be carried through—an enormous expenditure to deepen the canals of the St. Lawrence river, and save from five to eight cents a bushel on every bushel of grain grown in the prairies.

Mr. CAMPBELL: Does the hon. gentleman suggest that that will be a material benefit to western Canada?

Mr. HOCKEN: If my hon. friend does not regard the saving of five to eight cents a bushel on transportation of western grain to the ocean as any advantage—

Mr. CAMPBELL: That is not proved yet.

Mr. HOCKEN: That is what the experts tell us. That is what we are investigating, and if it be found that that will be the result, this work will be undertaken, $250,000,000 will be spent upon it, and the primary benefit, in fact practically all the benefit, will go to the people in the three western provinces.

Mr. CAMPBELL: The three western provinces are not asking for it.

Mr. HOCKEN: In addition to that they get lower freight rates for their grain than any other part of Canada. The Crowsnest pass rate is given to the West, and the result is that Ontario and Quebec are unable to get a single cent reduction in freight rates. There was talk two years ago of a general lowering of the freight rates; but when the Crowsnest pass rate was given to the West all the rest of the country had to go without any reduction in rates.

Mr. GARDINER: Have the Maritime provinces not received substantial reductions?

Mr. HOCKEN: They are promised now.

Mr. GARDINER: Have they not received them?

Mr. HOCKEN: I do not understand that they have, but they have been promised.

Mr. MEIGHEN: A very slight reduction.

Mr. HOCKEN: Ontario and Quebec had to go without any reduction in order that the West might get the advantage. I am not cursing the West or anything of that kind. I am trying to convince my hon. friend,—if it is possible for a man from Toronto to do it—of which I have some doubt—that the people of the eastern provinces of Canada are as keenly desirous to see the West prosper as they are desirous to prosper themselves, and they are showing it by a willingness to incur enormous expenditures to advance the prosperity of the West.

I believe that every section of Canada should be considered in the national policy. I think that, if we are to reach that point and get a policy that will serve the interests of all the different divisions of this country, every one of us must be willing to make some concession, and the concession I ask from the West is the acceptance of a moderate protective policy.

I was disappointed to hear the hon. member for Last Mountain (Mr. Johnston) talk of secession. He made a remark to the effect that unless the West got what it required there would be "political disintegration." I do not think that is the kind of language to use in this House. I do not believe it represents the sentiments of the West. He made some other remarks that were altogether incorrect but perhaps it is not necessary to deal with them. I do not think the people of western Canada sympathize with any such declaration as he made. When we look over the war record of the provinces of Alberta, Saskatchewan and Manitoba, I for one conclude that there is no more loyal element in our population than the people residing in those provinces, and if it were the purpose of my hon. friend from Last Mountain to throw a scare into us, I would like to tell him that he failed.

We do not hear very much in this House about the sufferings endured by the business interests of Canada. I think it is about time someone ought to say a word on that point. We have heard continually about the suffer-

ings of the farmers, and the most of the talk is in reference to the sufferings of the prairie farmers. But I can tell my hon. friends that the figures given in the business profits tax returns show that the business interests of this country are and have been suffering during the past three years just as keenly as the agricultural interests. If you will take the last returns for the business profits tax brought down in this House a few days ago, you will see that the amount collected has dropped from $44,000,000 in 1921 to $4,000,000 in 1923-24. What is the meaning of that unless it is that there is a terrible depression in business. If you take out of that $4,000,000 the amount paid by the pulp and paper industries and the mining industry,—perhaps the only two industries that are enjoying prosperity in Canada,—you find that general business and general manufacturing have been hardly able to pay anything in that respect.

Mr. FANSHER: Is the business profits tax in force in this country now?

Mr. HOCKEN: You bet it is.

Mr. FANSHER: I understand the business profits tax was repealed by the late government.

Mr. HOCKEN: I am paying taxes on the business profits I make. My hon. friend the ex-Minister of Finance (Sir Henry Drayton) tells me I am giving it an incorrect name.

Sir HENRY DRAYTON: It is the corporation income tax, which is a good deal higher to-day than the excess profits tax was.

Mr. HOCKEN: I have just a word or two more to say. Yesterday the Minister of Agriculture (Mr. Motherwell) said that the issue of protection and free trade is joined by this budget, and that it will be the question on which we shall go to the people at the next general election. The hon. member for Battleford (Mr. McConica) says: "Yes, and we will trim you to a peak". I do not like his spirit. I do not want to trim anybody to a peak.

Mr. FORKE: It is the sentiment which the hon. member does not like.

Mr. HOCKEN: It is the fact that I entirely deny. Instead of trimming us to a peak, I think the hon. member for Battleford will be trimmed to a peak. The result cannot be otherwise. In the provinces contained in this confederation seven-ninths of the population are favourable to protection. Is it conceivable that the three prairie provinces occupied by two-ninths of the population of Canada will be able to swing the seven-ninths at the next general election?

Mr. SPENCER: Would the hon. gentleman lead the House to believe that the three prairie provinces are the only provinces wanting free trade?

Mr. HOCKEN: Yes.

Mr. SPENCER: How about the Maritime provinces?

Mr. MEIGHEN: Did the Minister of Agriculture not assure my hon. friends that nobody was talking free trade?

Mr. HOCKEN: I think the political history of this country shows that there are only three provinces that favour free trade.

Mr. SPENCER: What about the Maritime provinces?

Mr. HOCKEN: Whenever the issue in this country has been protection versus free trade, the Maritime provinces have voted for protection—I do not think my hon. friend can dispute that—it was so in 1878, 1891, and in 1911.

Mr. FANSHER: There has never been a free trade issue.

Mr. HOCKEN: No free trade issue in 1878? My hon. friend was not born then and perhaps, he is to be pardoned for not knowing that fact. I was alive then and I know the fight that was made in 1878. I know the fight that was made in 1891 when the Liberal party went to the country on a policy of unrestricted reciprocity, when the Hon. Edward Blake deserted his party because he did not believe in unrestricted reciprocity. I know what happened in 1911, and those were the three occasions when the issue in the general election in this country was protection versus free trade. So, if we are to take what has happened in the past as an indication of what will happen in the future, we must conclude that the hon. member for Battleford will be trimmed to a peak, and that we shall have in this Dominion a government that will give us a cost of living tariff.

I have never had anything but the warmest possible feelings of friendship for the people of every province in Canada. I am a Canadian. I was born in this country. I have lived here all my life. I have never lived a year out of it. I have a love for Canada such as is held by men who are born in the country. I have a vision of this as, perhaps, the greatest country in the world at the end of this century. But we can never reach that objective—we can never fulfil the destiny which the Almighty has designed for us,—unless we sit down, province by province, and figure out a national policy that will take

care of the interests of every one of them. The province of Ontario, under such an arrangement, will have to make some concessions. So will the province of Quebec and the Maritime provinces, and so should the western provinces. The one thing that I ask them to do is to look at this question of protection from the standpoint, not of whether they can save a dollar or two dollars or three dollars on a binder, but of whether the great industrial cities of this country are to be preserved as places of population, of wealth, reservoirs from which to draw taxation with which to meet the war debt of this country, and to contribute in the thousand ways in which big centres do contribute to the welfare of this Dominion of Canada.

Mr. PIERRE F. CASGRAIN (Charlevoix and Montmorency) (Translation): Mr. Speaker, I do not wish this debate to close without associating myself with those who preceded me in expressing my regret at the absence of the right hon. Minister of Finance (Mr. Fielding) who, owing to a protracted illness, has been prevented from delivering his seventeenth speech on the budget. All acknowledge that he is an outstanding figure, an able statesman, a financier without an equal and of undaunted courage, who so well managed the finances of the country during the fifteen years of Liberal administration of the late and lamented Sir Wilfrid Laurier, that he was able to give the country this era of prosperity of which he was an eye-witness from 1896 to 1911. If we did not always agree with his views on certain questions, we must, however, state that he has been a man absolutely sincere and convincing.

Allow me, Sir, to congratulate the Prime Minister on his able choice in appointing to the post of Acting Minister of Finance, the hon. Minister of Immigration, the member for Châteauguay and Huntingdon (Mr. Robb). A consummate man of business, tried by experience, resourceful, he has proved worthy of the task which was confided to him. He energetically buckled down to work and was able, in a short time, under very difficult circumstances, to master all the details of the Department of Finance. Distinguished economist, he understood the present needs of the people and was able to present to the House and country an entirely acceptable budget. We had been for a long time expecting this budget. Those on the right with confidence—the others —those of the official opposition—with fear, and our friends, who sit opposite me, with doubt and great interest. Those who sit on your right, Sir,—and I am one of them—are fully satisfied with this budget. It discloses, so we see, a satisfactory state of affairs throughout the country, under present conditions. We have first, a surplus—according to the statement of the Acting Minister of Finance; secondly, a decrease in the debt; thirdly, a reduction in taxation, and fourthly—something rather astonishing—the lowering of the tariff and, neverthless, the balancing of the budget. The hon. Acting Minister of Finance must be congratulated on his work, and I think that the whole population of Canada and the party to which he belongs must acknowledge that he has done good work. The Canadian government under the able and wise leadership of the Right Hon. W. L. Mackenzie King, must be congratulated for having been able, in the space of hardly two years, to put our finances on a solid basis and improve our situation, in a general way, without harming agriculture, without injuring the manufacturing industry or the other industries of the country. These are the points which I want to touch upon in the course of my remarks that I shall submit to the House.

Immediately after the budget had been laid on the Table, we read, in many newspapers throughout the country, of rumours and criticisms of a nature to please certain classes of the population opposed to this budget. Nevertheless, all the members representing rural districts, all those who are not closely connected with the big interests, briefly all free men, all those in whom a generous heart beats and are thoughtful of the people's interests can say with confidence: Here is a government who has well sized up the situation and endeavours to do something for the people; here is a government who is trying to lighten the burden of the consumer, by reducing the taxes—which will have for effect to bring down the cost of living; here is a government who tries to fulfil its election pledges and put into practice the policy which it proclaimed when in opposition. Those that we hear recriminating and complaining as regards the budget, are the wealthy bankers, the large manufacturers, the trusts, and those who, protected by certain laws, were able to build up colossal fortunes and become magnates of finance, multimillionaires of the country. Those are the people who wish to dictate a line of conduct to certain governments, through their subsidized press. No doubt there are exceptions, but in a number of large towns it is not less true that, since the delivery of the budget speech, important newspapers have endeavoured to convince the people that the budget is not in their interest. I think we must put the people on their guard against this faction who try to misrepresent the question and induce the people of Canada to believe that the

government has not at heart the best interests of the country.

The principle applied in the budget is one of the soundest and most equitable of economic principles. Providence decreed that the people should reap the products of the soil with the least restrictions possible, and all impediments to trade and exchange of these products—if it is done without discretion—may become a hardship, may bring on a calamity for the population in general, although incidentally it may enure to the advantage of certain classes of people. However, what every wise government having the interest of the people at heart should endeavour to effect, is to place on the statutes of the country laws which, while giving revenues for the administration of public affairs, will better the conditions of all the classes of society. It is important that the taxes should not weigh too heavily upon those who are the least able to bear them. We must endeavour to distribute the taxes among those who are able to withstand them more easily. While on the subject, I may point out to you, Sir, the example given by the province of Quebec which, in its legislation, on a smaller scale than that of the Dominion government, apportioned the taxes among the wealthiest class, in such a way as to unburden the poorer classes, and better the conditions of the farmers in particular.

By the drift of this debate, we are aware that, to-day, as in the past, the great question is to know who wants a high tariff and who favours a low one, in other words who stands for protection and who desires free trade.

Judging from certain of their utterances, hon. members sitting on your right, Sir, endeavour to hold the Liberal party as a whole responsible for these sentiments, their words implying that the government is going to wrong the people and change the policy of this country for unlimited free trade. Those who conclude from various speeches that the Liberal party is an absolute free trade party, are entirely mistaken. No one, belonging to a party, not even a member of the government can tie down the other members of that party, if they do not share entirely his views. The true policy of parties is known, the line of conduct they must follow is known, because when in opposition they proclaimed that policy and when in power they endeavour to put it into practice. The hon. member for St. Lawrence-St. George (Mr. Marler) stated, a few days ago, that one must only consider what has been done by a party when in power and take no account of the policy which it proclaimed while in opposition. We cannot set aside the programme of a political party in opposition and merely go by its policy when in power so as to judge of the line of conduct which it will adopt in the future.

We know that the first to taunt us, to-day, for our attitude, because we lower the tariff on farm implements, are those who, last year and the preceding years, even when we were in the opposition immediately after our 1919 convention, were asking us to enact some of the most important articles of the programme of this convention. And to-day, because we try, so as to lighten the burden of the farming class, so as to better the general conditions of the country, to enact a certain part of our programme, they tell us that our policy was not the right one, yet, they are the same gentlemen who, at that time, told us to put it into practice. They taunt us also for giving too much to the western farmer's party, and, on the other hand, they ask for a higher protection and state that we shall be able, with such a protection, an adequate one, a protection to cover all our industries, to remedy all the evils which are supposed to be the present cause of the instability of the country. I do not think, Sir, that what we are actually doing is of a nature to hurt the industries, the factories and the large commercial institutions of our country. I think that on the contrary, the lowering of duties on farm implements as mentioned in the present budget is of a nature to improve the lot of the farming class, and representing an entirely agricultural county, a county situated in the province of Quebec, where there are some factories, but especially pulpwood mills, I cannot do otherwise than give my entire support to the government for the sound policy which they have inaugurated.

We often speak of the government's policy, and the same line of argument is followed as that made use of last week by the hon. member for St. Lawrence-St. George. If we look over the speeches delivered in the past by the leaders of the Liberal party, by the Right Hon. Mr. Fielding when he was Minister of Finance in the Laurier cabinet, we notice that the policy of the Liberal party has always been to maintain a certain stability in tariff matters, and that the party never disturbed this stability but carried on the policy inaugurated in 1878, the National Policy.

But, Sir, if we examine the tariffs which were established at that time, the truth is seen. We notice that, in all circumstances, the Liberal party endeavoured to lower in a moderate way the tariffs, nevertheless allowing a protection, which I might call "in-

cidental," mild and moderate, to the industries which needed it the most. If we study the political history of this country, we shall notice that it has been the privilege of the Liberal party to inaugurate that policy which is so much spoken of, "the Laurier-Fielding tariff policy," and to gradually lower the tariff so as to lighten the burden of all classes, while not hurting manufacturers and industries. We also notice that two tariff reductions have taken place under the heading of British preference, in Sir Wilfrid Laurier's time, and it is evident that the reciprocity pact with the United States was another step forward, a preliminary measure towards Sir Wilfrid Laurier's policy, such as he had proclaimed while in power as well as in opposition. And, to this effect, I shall quote an editorial of the Montreal Witness, dated May 7, 1924, which is as follows:

The Laurier-Fielding Tariff

To found any appeal to uninformed Liberals on the Laurier-Fielding tariff is to show oneself badly uninformed. If there is any fact notorious in the history of Canada, it is that the Laurier-Fielding fiscal policy was a downward one. There were two reductions in the form of British preference, and one was attempted in the form of reciprocity with the United States in natural products. By the grace of the protectionists, what they call the Laurier-Fielding combination went out of power flying that flag; so that if anything can be called the Laurier-Fielding tariff it is that one. Utterly discredit any one who would build a plea for protection on the attitude of Laurier and Fielding, who were only stopped in their process of undoing the people's shackles by the scare the people got from the screech of the affrighted industries, though these had not even been touched. The wailing of those industries then showed what they then thought was the Laurier-Fielding policy. For the same people who opposed every Laurier-Fielding move when it occurred just as they are opposing the King government now to plant themselves on the Laurier-Fielding tariff, is to own that so much ground has sunk beneath them. To invoke that tariff as being the Laurier-Fielding policy is disingenuous. It is an ill service to any young statesman to make that blunder the ground for glorifying him.

And if we wish to learn the policy of the late Liberal leader during the last years of his life, we have but to read the manifesto which he addressed to the people of Canada in 1917, in which he said:

Should the people intrust me with the administration of the country, I would make it a point to immediately unburden the farmer of all vexatious customs duties.

I would immediately abolish the duties on farm implements and other necessities with reference to farming as requested by the western people. And, I would consider as an essential duty of my administration a general and thorough revision of the tariff aiming at encouraging production in Canada and relieving the Canadian consumer.

That was the policy of our late leader in 1917; that is briefly his policy while he was at the helm of the government from 1896 to 1911, also his policy before he assumed power in 1896.

To find out, Sir, whether the policy which is followed to-day, is of a nature to harm or not our industries and be detrimental to the merchants and manufacturers of farm implements, we must inquire from those who are more directly interested in that industry, so as to ascertain whether the results will be as disastrous as our friends of the official opposition of His Majesty maintain. Now, we know, Sir, that already traders in farm implements made statements as far back as 1920, on September 14. This is what the president of the Massey-Harris Company said at that date:

Speaking on behalf of the company which I represent, I emphatically state that the privileges which are conferred on us by the protective duties have not been of very great advantage to us. . . .

So far as the Massey-Harris Company is concerned, even to-day, examining it from the only standpoint of money making the company would perfectly be willing to face the withdrawal of the protective duty on farm implements, "if at the same time the tax was lifted upon all material which enters in their manufacture."

That is what those manufacturers stated in 1920; and we were not astonished to see that they were consistent with their statements and that after considering the budget just brought down, after having examined it closely, they published, a few days ago, for the benefit of the public a statement making their position known on this subject, and letting the whole people of Canada know that the government's policy was satisfactory to them and that it even was of a nature to give good results. I know not if the speakers who preceded me have quoted this statement, but I deem it my duty to read it to the House, in order that it may appear in Hansard.

Here is what we read in one of the newspapers of Ottawa, dated May 6, 1924:

Budget Enables Immediate Drop Implement Cost

Exemption From Sales Tax and Cut in Duty on Raw Materials Ground for Reduction

Massey-Harris Co. issues statement

Rely on Canadian Farmer to Endeavor to Stimulate Canadian Industry

(Canadian Press)

Toronto, May 5.—The following statement was issued by the Massey-Harris Company, Limited, after a study of the budget changes, more particularly as they affect farm implements:

"It is only now that we have been able to determine with any degree of accuracy the likely effect on prices of farm implements resulting from the changes made in the tariff as set forth in the resolutions and in the subsequent amendments thereto brought down by Hon. Mr. Robb, Acting Minister of Finance.

"Upon harvesting machinery, binders, mowers and reapers imported into Canada the duty has been reduced from 10 to 6 per cent; upon tillage goods, cultivators, drills, harrows, etc., from 12½ to 7½ per cent;

upon threshers, hay loaders, etc., from 15 to 10 per cent, and upon farm wagons from 17½ to 10 per cent. The new rates, now effective, represent a minimum of protection, and it is believed that apart from goods which are permitted to be imported free of duty, the customs rates now carried by farm implements are lower than those applicable to any other class of imported goods.

Say Inconsistencies Remedied

"The Canadian manufacturer of farm implements has been in a measure compensated for the loss of protection on the finished goods by modification of the customs tariff on the materials, etc., which he uses. Heretofore, many material items carried a rate of duty greater than that which applied to the finished implements, and in this respect the industry was handicapped. The lowering of these duties together with further adjustments just made have remedied these inconsistencies, and so far as the Massey-Harris Company is concerned, we shall endeavor to adjust ourselves to the new conditions and we will give to the Canadian farmer every possible advantage arising out of the changes made. We rely upon him to do everything within his power to stimulate Canadian industry by the purchase of Canadian-made machines.

Immediate Cut in Cost

"The provisions of the budget which exempt farm implements from the sales tax are most welcome, and these, combined with the lowering of customs duties on raw materials announced in the government's amendments, now enable the manufacturer to make an immediate reduction in his prices. So far as the Massey-Harris Company is concerned (and no doubt this applies to other implement companies) there will be passed on to the farmer in the way of reduced prices the complete saving effected in the remission of the sales tax and the lessened duties on raw material."

Statement by Premier

Premier King last night made the following comment on the statement issued by the Massey-Harris Company:

"The statement of the Massey-Harris Company bears out the contention of the government that the tariff changes effected by the present budget should prove of benefit alike to the farming community and the agricultural implement industry. If, as is indicated, the farmers of our country are immediately given the benefit of the lowering of duties and abolition of the sales tax, by a corresponding reduction in the price of implements, it is up to every farmer, in the words of the statement issued by the Massey-Harris Company, 'to stimulate Canadian industry by the purchase of Canadian-made machinery;' and I believe they will."

These are Sir, the views expressed by persons who have a full knowledge of the situation which will result from the budget resolutions and the reductions we are making. There is no need of going any further to answer the objections of those among our friends who maintained that we were going to ruin this industry by favouring another which wanted to have, at all costs, reductions on instruments absolutely required in their pursuits.

Mr. MEIGHEN: (Translation): May I ask the hon. member a question?

Mr. CASGRAIN: Certainly.

Mr. MEIGHEN: (Translation): Do you repudiate the statement of the hon. Minister of the Interior that this budget is the death knell of protection?

Mr. CASGRAIN (Translation): No; I do not think that, when the hon. Minister of the Interior stated that the budget was the death knell of protection or the "whisper of death" of protection, I do not think that it was what he meant, I do not believe that in this country, in the province of Quebec which I represent and in the party that sits on your right, Sir, there can be found a majority ready to abolish all protection; I do not think, as I stated at the outset of my remarks, that such was the intention and the thought of the hon. Minister of the Interior. Moreover, I do not think that a political party can be tied down by such a statement, I do not believe that the members of the province of Quebec can be tied down by the statement of one man which was made under such circumstances.

Some hon. MEMBERS: Hear, hear!

(At six o'clock the House took recess.)

After Recess

Mr. CASGRAIN (Translation): I was saying Sir, when the House took recess at 6 o'clock, that you could not tie down the policy of a whole party and all those who support the government by a few words which, during the heat of a debate, might have been uttered by one of its ministers, or by persons well up in the party I also added that I did not think there was room, to-day, either in the province of Quebec or in the whole of Canada, for free trade, and that, under no consideration, the party to which I have the honour to belong would ever do anything of a nature to destroy or ruin the industries which, for a number of years, have largely contributed to the prosperity of our country.

The government, in the budget which it has just introduced, has adopted the Liberal policy as it was prepared and handed down, by the leaders who preceded us, by the late Sir Wilfrid Laurier and those, who before him, had the destinies of the Liberal party in their hands.

In the course of the speech of the hon. member (Mr. Hocken) who preceded me, I was astonished at some of his remarks. He stated that the Canadian workmen were emigrating in great numbers from large centres to the United States and he bewailed very much the treatment which was meted out to them in the new budget.

I think the same remark was made by the ex-Minister of Finance (Sir Henry Drayton) at the outset of this debate. They are, to-day, very anxious over the lot of the working class, especially over the lot of the tillers of the land. However, they had not, it seems such great concern in past years when, in 1911, the government of Sir Wilfrid Laurier submitted to the people for approval the reciprocity pact which would have benefited all Canadians. With reciprocity, the whole country would have progressed, and we would not have to brood over this disquieting state of affairs that these gentlemen of the opposition, to-day, are so much fretting about.

Let us now examine what the Conservative party has done for the farming class. If we go back to the year 1920, when the government of those who sit on your left, Sir, had appointed a commission to inquire as to changes in the tariff which it would be necessary to effect, we shall see that the farmers requested, at that time, in Quebec, from the commission presided over by Sir Henry Drayton, a lowering of duties on farm implements. The farmers foresaw, then, that profits might dwindle down, that there would be a crisis to tide over and they wanted to prepare to face it. They had been careful to request the government to adopt the necessary measures to guard against periods of hard times which might intervene and be detrimental to their interests. But the Conservatives declined to rescue them and dismissed their just claims, with the results that we now know.

The hon. member who preceded me in this debate also stated that the Liberal party was not faithful to its pledges, that it was not the old Liberal party that carried on the policy of Laurier and Fielding. But, Sir, is it not a cause for regret to see those who insist, to-day, that we should take up the policy of Laurier and Fielding, were the first, during the years when the government of Sir Wilfrid Laurier presented its budgets, to oppose them and prevent the enactment of the Liberal's budget policy which is so highly praised to-day and which is said to be the best? Are they not the same gentlemen who, in the year 1911, carried on the whole campaign against the late Sir Wilfrid Laurier to prevent the enactment of that policy known as the "Laurier-Fielding tariff policy?"

The hon. member for West Toronto, Sir, is fretting for the future of the steel industry which, he states, will suffer great losses through the lowering of the tariff on farm implements. If we consult for a moment the statistics, we shall notice that the company known as the Steel Company of Canada, which my hon. friend mentioned, is making large profits. For the year 1921 their profits amounted to $810,292, in 1922, they were $903,596, and in 1923, they amounted to $1,432,875. So that, during the last three years, this company increased its profits from year to year, to such an extent that, to-day, the small setback which it might have to suffer would be greatly compensated by the profits it has accumulated in the past.

If we listen to the remarks which are made by the hon. members who sit on your left, Sir, we gather the impression that they are great alarmists and pessimists. On the other hand, if we read the financial newspapers, we find that we have no such cause for alarm and fear for the future. I was looking over, not long ago, a journal that has a certain influence in Montreal, the Montreal Financial Times, dated April 11, 1924 and this is the heading I found:

Twenty-Seven Companies Have Reported Increased Net Profits During Past Year

Over 50 Per cent of Corporations Whose Annual Reports Have Appeared in Last Few Months Indicate Increase income Available for Dividends—Showing Practically the same as Year Ago—Some interesting Earnings Changes Revealed—Two Successive Years of Progress.

Evidently, Sir, one should hear both sides of a question. Some hon. members state in this House that business is bad, that industries are threatened with ruin, that no alteration should be made to the tariff; on the other hand, these same gentlemen carry on a propaganda in their newspapers and assert that business is improving and that the financial situation of the country seems brighter from day to day.

And the editorial continues:

It is gratifying to note that in the majority of cases, substantial progress has been recorded in the matter of earnings. In a compilation showing respective net incomes available for preferred and common dividends for the fiscal years ended in 1923, 1922 and 1921, comprising 48 companies, it is interesting to note that no less than 27 companies reported increased net income in 1923 over 1922, which in itself was a year of fair progress. In that year 28 out of 48 companies had net incomes registering increases over 1921.

Fifty Per Cent Increase

This showing is extremely interesting inasmuch as it indicates that progress during the past two years has been along comparatively stable lines despite the vicissitudes of general business and the constantly fluctuating influences. The past two have undoubtedly been years of comparative hardship, and industrial betterment has been confined to a large extent to specific lines. At the same time the fact that approximately 50 per cent of the companies listed in each of two years have been able to make headway speaks well for the position in which industrial and commercial companies to-day find themselves.

I also came across in the same journal, a few weeks later, another editorial headed thus:

Seven Canadian Industrial Groups Earn $32,760,440 Per Annum in Over 5 Years Period

These are excellent results and there is no fear that such large and powerful corporations will really suffer to-day, by the small changes we are making to the tariff as regards farm implements. My hon. friend from St. John and Iberville (Mr. Benoit) who is in the business and is thoroughly acquainted with the farming class, inquires whether the farmers have earned as much as that. I think the answer is an easy one. I do not know that any farmer has ever existed who accumulated such large profits.

The editorial further states:

While industrial prosperity is still a rather elusive factor it is gratifying to learn that since the end of the war leading industries of the Dominion have had their fair share of whatever was possible in the way of profits.

The editorial further divides the companies into various groups: Heavy Manufacturing, Miscellaneous Manufacturing, Cottons and Textiles, Pulp and Paper, Public Utilities, Flour Milling, Mining and Development, and shows exactly the results obtained and the profits earned during the last five years:

Five-Years' Average of Common Capital and Earnings

	Common Capitalization	Net Earnings	P.C. Earned
Heavy Manufacturing.	$106,399,000	$3,853,371	3.62
Miscellaneous Manufacturing..	21,265,280	1,957,524	9.41
Cottons and Textiles	14,616,100	2,927,732	20.03
Pulp & Paper.. ..	57,128,280	7,844,326	13.67
Public Utilities.. ..	121,849,978	8,908,753	7.23
Flour Milling..	11,992,008	2,180,483	18.09
Mining and Development..	39,633,700	5,088,251	12.84
Total of 5-yr. averages	$372,884,346	$32,760,440	8.79

There is still another basis and criterion: the market price of certain shares of these corporations. In the remarks that I am addressing this evening to the House, I wish it to be well understood that I am trying in no way to deny the usefulness of these corporations and that I am ready to recognize all the work they may have done for the development of our country and the expansion of our commercial centres. Only, it is but right to observe that all these corporations have made enormous profits which are not to be compared in any way with the farm profits.

This journal then takes up the cotton industry; it says, referring to the Dominion Textile Company:

On March 31, 1922, net assets applicable to the old common stock amounted to $10,007,701, or $200.15 per share of $100 par value, or approximately $66.75 per present no par share.

And regarding the Canadian Cotton Company:

On March 31, 1923, net assets applicable to the common stock amounted to $5,522,145, or $203.36 per share of $100 par value.

My hon. friend from St. John and Iberville inquires whether there is "watered stock", whether these companies have been over-capitalized. I am not in a position to answer, I am not prepared to give these facts to the House and supply the necessary evidence in that connection, but I only wish to quote the facts which were published in the press throughout the country and show up the satisfactory financial situation of these large corporations.

That is not all, we read in the same journal, that business is in excellent shape and besides is on the increase in the Western provinces.

In a despatch forwarded from Edmonton, Alberta, we find this extract:

Banks and loan companies are more satisfied with the outlook than they have been in several years. Alberta's productive wealth has been greatly increased and saner methods are in evidence in every department including the agricultural. Collections have been well sustained although they have not been sensational.

And a number of companies which, in past years, had not been able to pay to their shareholders substantial dividends, were lately able to do so. We have the Goodwins Ltd. Co. of Montreal, who gave out that it was paying all arrears of dividends on its stock "Goodwins Ltd pay all arrears on its stock," and all this is to be found in the same financial journals which on the other hand, try to impart to the public that business is bad and that we are passing through, to-day, a period of depression. If we examine the commercial sheets and consult the business people, we find that in a great number of cases they are not so pessimistic as our friends who sit, Sir, immediately on your left.

I have before me a circular from one of the largest firms of brokers of the city of Montreal—and we receive many of this kind of circulars.

This document is dated April 11, 1924, after the budget had been presented to the House and thereby made known throughout the country.

At the beginning of the second quarter, we have advanced sufficiently far into 1924 to get some line on the probable outlook for the remainder of the year. One thing that seems assured is that it will be a year of easy money conditions, so that with plentiful funds available for investment there is likely to be a steady demand for high grade bonds and stocks, etc.

And they refer to large industrial corporations and companies in which they encourage the public to make investments and place their savings, because they state, business being on the mend the profits will be larger. There is also another test; we often take advice

from economists and it is well to inquire at that source so as to learn from these persons who are continuously in touch with these questions, what is the financial situation and if it is improving. Here is the opinion of Mr. Roger W. Babson, a distinguished economist, who publishes statistics and reports on all financial questions; speaking of the financial situation in Canada, he goes over the ground thoroughly and says, among other things:

The Situation in Canada is Improving

Roger W. Babson has published of late, on the present conditions of business in Canada, an interesting review in which he states, among other things, what follows:

"The close trade relations between Canada and the United States, says Babson, are not appreciated to their full value by the business people of both countries. In the matter of economic relations the boundary counts for very little. The different conditions existing in those two countries arise especially from a different equilibrium between the manufacturing and agricultural industries. The manufacturing centres are the first to react from an economic depression; business flourishes many months before the productive regions of raw material. Although manufacturing industry is rapidly developing in Canada, this country is still looked upon as producing raw material. Thus, it is always later than the United States in its movements of fall and rise. That is why the Canadians can look upon the economic situation existing in the United States like a barometer pointing out what will take place in Canada a little later."

"Up to now the readjustment has been somewhat slow in the provinces, but it may become more noticeable during the year.

This proportion will improve, and not only will business transactions increase, but work will be distributed in a more general way throughout Canada. At present the advertising and sale must produce the best results in the eastern provinces. The industrial situation should continue to improve in 1924."

So that, Mr. Speaker, you may judge that all the members who sit nearest to your left and the press of the country, especially the influential English press, which has endeavoured to tell us that industries are in danger, that trade is fading and that the time is ill chosen to bring on the few changes to the tariff by which we are trying to improve the conditions of the farming class, all these gentlemen, I say, are not entirely right, for we know, on the other hand, from people absolutely disinterested, that business is looking up, and that the financial situation is improving from day to day.

In the budget which is, at present, under consideration we note—a remarkable thing—that there are less taxes than might have been expected, when the government faced with numerous difficulties, might have been forced to enact further taxation or at least maintain those taxes which were already in existence. The slight changes that have taken place are not of a nature to bring on the

imaginary unrest that some endeavour to flash in the eyes of wrongly informed people. Pessimism is one of the causes of the straitened circumstances in which the country finds itself at present. By means of advertisements and newspaper editorials an effort is made to convince the working class and the business people that all is going wrong. That is why I ask all the members who have at least the interests of the middle class, the farming class and the working class, and who share the views expressed in the budget as brought down by the Acting Minister of Finance, to rise in this House so as to explain to the country their position and convince the people who might, perhaps, be badly informed, that the situation is not so critical as it is made out to be in certain quarters, and that the budget brought down by the government of the Right Hon. W. L. Mackenzie King is a budget which reaches all classes of society but especially the farming class.

The depression which took place in the farming industry, is due to the fact that the government which preceded us paid no attention to the just claims of the farming class, and, consequently, did not endeavour, immediately after the war, to distribute more equitably the taxes and reduce them if possible. Wrongly did we abandon the farmer to his own resources although he had practically no more market in which to sell his products. The enormous expenses brought on by our exaggerated participation in the European conflict and the heavy taxation which the Dominion government had to have recourse to, was another cause of unrest. The Bankruptcy Act enacted by the late administration and which, up to the present, is highly depressing, is again another cause. We amended it last year. I am glad to hear that it has given better results and that bankruptcies were not as numerous as in the past, in farming districts.

I feel confident that under the administration of the hon. Minister of Justice, the member for Quebec East (Mr. Lapointe), new amendments will be added to the act and will have for effect to dispel the unrest which the farming class have to face.

We must congratulate, Sir, the King government, seeing the difficulties to which the farming class is exposed, for having acquiesced in the just claims of the farmers, the country people who, after all, make up the greatest part of Canada's population.

Now, I do not wish to be charged with bringing up local questions, however, I think it would be proper to draw the attention of the government to an industry which, in my

county and elsewhere, has become important and deserves to be better encouraged by the government. It is the maple sugar industry. It is stated that the last crop brought $5,500,000 to the farmers of the provice of Quebec, and there is no doubt, according to information which I have gathered, that should the government help this industry, to a certain extent, the farmers could still more increase this output, and that this branch of the farming industry would become more productive and give better results. The surest way would be, perhaps, to help the farmers as it was done in the past for the dairy industry. I trust that the Minister of Agriculture will find means of doing something in that line for the farming class.

We notice in the budget that is now under consideration and also in the policy which the government has proclaimed and put into force since we have assumed power, that it has always endeavoured not to go to extremes neither on the side of free trade nor on the side of protection, but has always tried to establish a moderate policy, that is has always steered the middle course, which is the one we should adopt in a country like Canada, where there exists various opinions in all classes of society, also marked differences owing to geographical conditions which are very exceptional. I wish to add a few words with regard to the British preference. I am not an expert on the subject of trade and I have not a knowledge of all the results of this policy; but from what I hear through a number of tradesmen and manufacturers, this policy, when it was adopted, could to a certain extent have given good results; but to-day it may not be satisfactory, and may be of a nature to prejudice certain industries. I hope that the government, while considering this question, will take care of the industries which in the province of Quebec, might suffer from such a policy.

We have read, Sir, in the press throughout the country, on more than one occasion, that the provinces of Quebec and Ontario should unite with the view of giving the country a better bearing, a policy aiming at furthering the interests of Canada. It has been stated that the two oldest provinces of confederation should unite to carry high the torch of progress so as to enlighten the other provinces. Nevertheless, let me say that if we had not at our sides the other provinces of confederation to attain our end, I fear that we would not succeed. I think that the present policy of the government is broad enough and sufficiently attractive for all our provinces. What the country needs to-day, to my mind, is not class legislation or legislation favouring certain districts or provinces, but a government for all classes of society, that will endeavour as much as possible to promote the interests of all citizens, farmers, manufacturers, tradesmen and labourers. And the policy which the government proclaims takes in all the interests of the farming class as well as those of all other classes of society.

Before closing my remarks I must not forget the question of immigration which may have given the government many anxious moments, on its assuming power. Under the wise and just administration of the hon. Minister of Immigration, pro tem Minister of Finance, the member for Chateauguay and Huntingdon (Mr. Robb), immigration will push ahead, I have no doubt. I am aware that the means which have been adopted will bring to this country a great number of immigrants gathered from the four corners of the globe and that they will be settled as much as possible on farms. We need people to help in tilling the soil and also, perhaps, others to live in the large centres and help in carrying the burden of taxation which still weighs on our people. However, we must not forget that we shall have to select the immigrants and give preference to those who are most able to adapt themselves to the conditions of the country and become good Canadian citizens. What strikes me most in the government's policy is that it tends to furthering the interests of all classes and keep our people at home. To reach this end, it gave its first thought, its first help to the farming class.

I think that we must congratulate the government for having succeeded, during its three years in office in obtaining such good results and having been able, notwithstanding the hard times we are passing through, to balance the budget, reduce the taxes and improve the general situation over the whole country. I further wish to congratulate it for having acquiesced in the just claims of my hon. friend for Chambly and Verchères (Mr. Archambault) and having brought relief to the heads of family burdened with taxes, by raising the exemption for children from $300 to $500. This is of a nature to help all classes of society throughout the country but especially in the province of Quebec, where there are so many large families. I notice, Sir, that the government is doing well, notwithstanding all the false prophets and all those who insist that its policy is not a good one. All the governments are more or less forced to give way to the just and popular claims, and, we must return thanks to the Prime Minister

and acknowledge that he has endowed the country with the best policy, the one which is in the interest of the whole country.

Allow me, Sir, in closing my remarks, to remind the House of the few lines from a poem which characterizes exactly the policy that the government has adopted and tersely describes the wise course of its administration during its three years' occupancy.

Remettez en honneur le soc et la charrue,
Repeuplez la campagne aux dépens de la rue,
Grevez de taxes le riche et dégrevez les champs,
Ayez moins de bourgeois et plus de paysans.

Mr. W. C. GOOD (Brant): During the course of the present debate, Mr. Speaker, and during the course of the debate on the Address in reply to the Speech from the Throne, the fiscal policy of Canada has been discussed from almost every conceivable angle, and I should not feel justified in now participating if I had merely to repeat and reaffirm those professions of faith and opinion that have been so well and so frequently made in this House; but I propose to break somewhat new ground this evening, and that is the sole reason why I ask the indulgence and patience of hon. members.

Two years ago when I spoke in the budget debate I reviewed the whole argument in favour of protective tariffs and I referred briefly to what might be called the fundamental principles of taxation. On the present occasion, Mr. Speaker, I purpose to deal somewhat fully with the latter part of the remarks which I then addressed to the House, namely, the general question of taxation, its principles and practice, and with special reference to the taxation of land-values.

First, however, I venture to make a few brief observations on the amendment and on the budget itself. I think it is unfortunate that the wording of the amendment lends itself to differing interpretations. Some hold it to be a substitute motion involving a rejection of the proposals for tariff and taxation relief already brought down by the government and a direct vote of want of confidence. Personally, I am satisfied and assured that the mover had no such intention; the preamble of the amendment makes this abundantly plain. It seems to me it would be desirable that the House should permit such alteration of the wording as would make the meaning perfectly clear, but I do not suppose this would be permitted now. Therefore I prefer to vote for the obvious intention of the amendment, rather than reject it on technical grounds. I regard it as supplementary to, and not as a substitute for, the proposals contained in the budget.

[Mr. Casgrain.]

The whole situation, Mr. Speaker—especially the plight of the Conservative party, which is very much the same as our own plight two years ago—gives renewed emphasis to the demand which we then made, inferentially at least, for an amendment to the rules of the House. The rules were devised under the two-party system. Political conditions have altered fundamentally since these rules were framed, and I think it is absurd to try to apply rules devised for one situation to a situation so conspicuously and so definitely different; and therefore I would suggest that we face the question of amending the rules of the House at a very early date. Otherwise I fear we may have a repetition of the ancient story of the new wine bursting the old wine skins. In this connection I was rather impressed by an article that I read recently dealing with this very matter. It is from the pen of one of England's women members of parliament, Miss Dorothy Jewson, and I should like to read a few excerpts for the benefit of the House. She writes:

A big national assembly must have rules and forms and ceremonies and to take all symbolism and pageantry and colour out of life would be to make it dull and bare, but the Houses of Parliament are overloaded with a heritage of tradition and precedent and archaic customs that fritter away valuable time and energy, cause immense delay, and clog the wheels of progress. The discriminating use of some sort of axe is needed. Instead of being masters of the parliamentary machine we are in danger of becoming its slaves.

How many men have come to the House of Commons, not only full of enthusiasm and animated by high ideals, but with a definite intention and the determination to get something done, to find themselves up against a huge, rusty machine that, when it is not standing still or going backwards, moves with ponderous slowness, causing impatience and bitter disappointment, and provoking members to rebellion, or reducing them to despair, or making them merely cynical.

Further on she says:

Leisurely and picturesque parliamentary methods would not matter so much if the nation were in a better condition instead of the desperate state in which it now finds itself. Certain reforms, essential to an even comparatively low level of civilization, are long overdue, and the fact that they have not been achieved is a condemnation of the way in which our national affairs have been conducted. Only a fraction of the resolution, energy, promptitude and money that were forthcoming during the war could be made the means of transforming large numbers of lives that are now almost everything that they should not be.

I submit that these remarks have a very direct application to the situation here in Canada. I am under the impression—I speak, of course, subject to correction—that the limitations under which we are operating are perhaps greater than those existing in the Old Land.

In regard to the budget, one has to confess a series of surprises. I must admit frankly

at the outset that I was surprised and pleased at the extent of the tariff reductions announced in the statement of the Acting Minister of Finance (Mr. Robb). At the same time I was disappointed that the range over which these reductions were made was not wider, and that is my chief criticism of the proposals brought down. But a short time after the proposals were originally made, and when I felt justified in supporting them, I was astonished and dismayed to find that a regulation had been passed, two days prior to the announcement of the budget, which, so far as I could make out, nullified very effectively the remedial measures that had been proposed; and I was wondering whether I could under those conditions support the budget. However, I am very glad to say that a day or two ago the Minister of Customs (Mr. Bureau) announced in this House the withdrawal of that recent amendment to the regulations, and therefore I feel again justified in supporting the budget proposals. I would like to suggest, however, in passing, that the whole administration of the Dumping Act has a sinister aspect—I would like to emphasize that word "sinister," and I hope I give no offence. It needs a thorough overhauling, and unless the government will do something in that connection I prophesy trouble.

Returning to the main topic, that is, the question of taxation, I do not think it should be necessary in this House to stress its political importance. History, indeed, is replete with examples. The rebellion of the ten tribes of Israel under Rehoboam was due to crushing and onerous taxation. The history of the Roman Empire will show that the strength of that great political organization was sapped by iniquitous taxation methods. In England during the seventeenth century we find a great civil war arising at the time of Charles I, due almost entirely, I think, to arbitrary taxation. Later on we have the American war of independence in the eighteenth century, also emphasizing and based upon the unfairness of taxation without representation. The French revolution, following shortly afterwards, was another instance of the same sort, again emphasizing the political importance of this question of taxation. I would submit, Mr. Speaker, that the present farmers' movement in Canada, which is represented in this House by over sixty members, is one of the most modern protests against unfair and unjust taxation; and even now, from coast to coast, an emphatic protest is being made against unjust taxation. To sum up the importance of this subject I submit a very significant statement made by Professor Richard T. Ely, of the University of Wisconsin, in his book Taxation in American States and Cities. It is as follows:

> Taxation may create monopolies, or it may prevent them; it may diffuse wealth, or it may concentrate it; it may promote liberty and equality of rights, or it may tend to the establishment of tyranny and despotism; it may be used to bring about reforms, or it may be so laid as to aggravate existing grievances and foster hatred and dissension among classes; taxation may be so controlled by the skilful hand as to give free scope to every opportunity for the creation of wealth or for the advancement of all true interests of states and cities, or it may be so shaped by ignoramuses as to place a dead weight on a community in the race for industrial supremacy.

Further, Mr. Speaker, I think we may say that the teaching of all history, particularly that of the English-speaking peoples, leaves with us this lesson; that the power of taxation must be retained by the people, either directly or through their representatives. We have claimed that right here in this House, and the British House of Commons claims it. We have gone even further in connection with our municipal governments, where money by-laws are subject to the obligatory referendum.

Now, I made certain observations during the debate on the Address respecting unsound methods of taxation, and the Minister of Railways and Canals (Mr. Graham) was good enough to ask me, on that point, whether there were any sound methods of taxation, or whether the people would admit that any methods of taxation were sound. I replied that at all events some methods were sounder than others, and I proceed now to elaborate that thought.

First, I think we shall have to define our terms, and I ask the question, what is taxation? In olden times, if we consider the feudal structure of society, the taxation then existing really had the purpose and effect of giving the individual serf or peasant, protection of life and property under his lord. The system was abused only as and to the extent that, the lord or king taxed for petty or personal causes. Leaving that condition of society and coming to what we may call modern democratic institutions and organizations, what shall we say as to taxes? I submit that the following may be a fairly satisfactory definition: Taxes are payments by the individual to the community for the protection of life and property and for the carrying on of collective activities. In other words, taxes are payments by the individual to the community in return for services rendered the individual by the community. Let me take some examples in order to illustrate my point a little more fully.

Take the rural municipalities in this country. We have there for instance, certain common or collective activities that are carried on such as schools and the maintenance of roads, bridges, and things of that sort. Then take our urban municipalities where we have the same collective activities carried on and in addition such enterprises as police and fire protection, water, electric and sewage services, health, recreation and so on; and as these communities develop we find a growth in the variety and importance of these collective activities. Then in our Canadian provinces we have further collective activities that are carried on, such as the administration of law, the support of education, the maintenance of some roads, the care of unfortunates, and so on. And so far as our Dominion is concerned, we have only to look over the estimates to see the variety and extent of the services which as a Dominion we perform for individuals in Canada and for which we exact taxes from individuals in Canada.

I submit, Mr. Speaker, that if these services are necessary and desirable, and if there is efficiency in the administration or in the execution or carrying out of these services, there is no cause for complaint against the aggregate amount of taxation. That is a comment I would like to make on many speeches that have been made in this House. It goes without saying, of course, that we can afford to provide the services: that I think must be taken for granted; and in such cases the presumption is we would not undertake these services collectively if we could get better results by individual action. For instance, unless we can educate our children better by operating collectively in the establishment and carrying on of our schools, we would not do so; we would do as was done in former times, have each family educate its own children. I take it, Mr. Speaker, that the scope of our collective activities is constantly widening, and that that must be so in the case of a developing civilization. Therefore, the aggregate of taxation is likely to grow. I do not think there is anything regrettable or objectionable in this. I wish, however, to submit this thought to the House, that these various collective activities which are now paid for by taxation may be carried on under other auspices than state auspices. We find, for instance, in many cases that they are being carried on by voluntary, co-operative organizations, and it is quite possible we may have what has been called the fading state as civilization develops, where more and more of the activities which are now carried on under state auspices, where coercion exists, where taxes are enforced, shall be carried on by voluntary co-operative organizations under entirely different psychological conditions, at all events. But the tendency in that direction is not apparent at the present time; in fact, there has been in recent years, in many countries at least, a tendency towards the enlargement of collective activities under state auspicies. My own feeling, however, is that ultimately there will be a turning of the tide and that it will seem better that many of these activities should be conducted by voluntary co-operative organizations rather than under state auspices.

Now taxation is not only payment for present services, but also for past debts, which I presume may be taken to represent services rendered to the individuals of the past. This is particularly the case in all wars, and I was very much interested, as I think the House was, in getting the information submitted the other day by the hon. member for West Calgary (Mr. Shaw) which showed conclusively that practically all national debts were incurred only during wars and for war purposes. I should like to read in that connection some remarks made by Professor Irving Fisher recently in a pamphlet entitled "Europe's Big Debt." This is something that we should take to heart. I quote:

> The greatest economic problems before the world to-day are those growing out of the big war debts and post-war debts. These debts constitute one of the two millstones around the neck of Europe. The other millstone is that of armaments. Under the weight of these two millstones, much of Europe is sinking into chaos.

Further on he says:

> The common notion that the present misery of Europe is directly due to the war, and so was unavoidable, is erroneous. That misery is due to certain by-products of the war—especially militarism, debts, and inflation—which were very largely preventable.
>
> To understand this we must first disabuse our minds of the common impression that in paying these debts "the world is paying for the war." The truth is the war cost has already been paid for. It was paid for during the war itself when the shells were exploded, when the soldiers' clothes were worn out, when their food was eaten. The debts that are now left merely mean, that, during the war, some people paid more than other people, so that now the latter are asked to reimburse the former. That is, the taxpayer is asked to reimburse the bond-holder. The world as a whole not only pays but receives. It distributes from one set of pockets to another.

War unfortunately, Mr. Speaker, furnishes a splendid opportunity for money makers and money lenders to fasten chains upon their victims more tightly and to lay the masses of the people under tribute. I think if the methods whereby war debts are piled up were well known and analyzed, the widespread repudiation now going on would be more intelligible. But we are not repudiating, at least as yet:

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in fact, we have vastly increased our war debt through deflation. I would like to suggest to the House that members should read in that connection a recent work written by John Maynard Keynes on Monetary Reform, which deals exhaustively with that question. Possibly there should be some repudiation of debt; possibly there will have to be in the future. But, Mr. Speaker, it is difficult to discriminate with justice. We cannot tell as yet what is going to happen, but I want to submit to the House as did the hon. member for West Calgary the other day, that this question of our debt has not yet received any serious consideration by the Canadian people, and I think it ought to. I should like to read in that connection some extracts from this book by J. M. Keynes. He says.

> There is a respectable and influential body of opinion which repudiating with vehemence the adoption of either expedient—

He is referring there to what are known as the capital levy and devaluation.

> —fulminates alike against Devaluation and Levies, on the ground that they infringe the untouchable sacredness of contract; or rather of vested interest, for an alteration of the legal tender and the imposition of a tax on property are neither of them in the least illegal or even contrary to precedent. Yet such persons, by overlooking one of the greatest of all social principles, namely, the fundamental distinction between the right of the individual to repudiate contract and the right of the state to control vested interest, are the worst enemies of what they seek to preserve. For nothing can preserve the integrity of contract between individuals except a discretionary authority in the state to revise what has become intolerable. The powers of uninterrupted usury are too great. If the accretions of vested interest were to grow without mitigation for many generations half of the population would be no better than slaves to the other half. Nor can the fact that in time of war it is easier for the state to borrow than to tax, be allowed permanently to enslave the taxpayer to the bondholder. Those who insist that in these matters the state is in exactly the same position as the individual, will, if they have their way, render impossible the continuance of an individualist society which depends for its existence on moderation.

I should like to read further in that connection, but I forbear, as the time is passing. This matter, indeed, Mr. Speaker, is somewhat outside the immediate subject for discussion this evening, and therefore I sum up thus: Taxes constitute payment for services rendered.

The analysis which I propose to give further differs somewhat from that given by Professor Henry C. Adams in the Science of Finance; but it covers practically the same facts and is I think a little more applicable to our existing situation. I refer to his book in passing as dealing in an exhaustive way with the whole question of public finance. I propose therefore to examine and classify the different kinds of taxation that we find existing at the present time.

My first classification is that of direct and indirect taxation. Politicians are very fond of saying that people will not stand for direct taxation. I would like to submit to the House that no enlightened people will stand for indirect taxation, and I emphasize the point that, other things being equal, direct taxation is always preferable to indirect taxation. I want to issue that challenge to the country, to the House and to those politicians who are fond of saying to the people, for purposes which it is not hard to discern, "Now, of course you will not stand for or endure direct taxation". I say that direct taxation is always preferable to indirect taxation because it is honest and above board, less easily shifted or evaded, and the taxpayer knows what he is paying, and therefore he will be very vigilant to see that he gets his money's worth.

My second classification is on a different basis and is as follows: First, taxes on consumption, for example tariffs and sales taxes. These may be either direct or indirect. Let us take for an example the case of the average man with a large family. He necessarily bears the largest share of taxation on consumption; and I would submit, Mr. Speaker, that he renders the greatest services to society in the matter of raising his family. In fact I have often heard it said that every child that is brought up to a state of manhood or womanhood is worth a thousand dollars to the state. I do not know whether that figure is accurate or not. It may be much too small. At all events it expresses the obligation the state is under to the individual in this connection; and yet taxes on consumption place the burden on those who render service to the state, and in proportion to the services which they render. I submit, Mr. Speaker, that such a tax is absolutely indefensible. I should like in that connection also to refer briefly to two cases which I mentioned two years ago; first that of a rich mine owner who, by reason of the fact that the state guarantees to him peaceable possession of his property, is in the receipt of, say one hundred thousand dollars a year, for which he makes no effort whatever. Contrast his situation with the situation in which one of the miners is placed, say with a family of five, and in the receipt, we shall suppose, of five dollars a day. Now, Mr. Speaker, there is a contrast worth dwelling upon in connection with our consideration of taxes on consumption. The other case that I referred to two years ago was that of the Canadian Pacific Railway western lands, increasing in value every year by reason of the

labour of neighbouring settlers. The railway company which has title to these lands is in receipt of a large amount, has indeed a large claim upon the services and commodities which society produces without rendering any services in return, whereas the poor settler in the neighbourhood pays heavy customs and sales taxes on all his supplies. Here again is a case where the rich idler is exempt or nearly so, and the poor worker has to bear the brunt of the burden. I think there is no tax so utterly indefensible as the tax on consumption. The only thing that makes it tolerable, or the only ostensible and nominal justification for it is in the case of commodities which are needless or harmful in use. Now it is difficult to find such commodities, for this reason, that what is useless or harmful to one person is often useful and necessary to another. Perhaps we might specify such a commodity as alcoholic beverages, which we might very sensibly subject to a consumption tax; but in regard to most of those things which we call luxuries, I think it will be difficult to justify even a consumption tax; although if we are to retain any taxes on consumption, the distinction which is made for convenience, and somewhat illogically, between necessaries and luxuries, ought to be retained. I am prepared to admit the propriety of a tax on luxuries if we can decide with satisfaction to ourselves, what luxuries are. On the whole, however, taxes on consumption are unwise and unjust and ought to be abolished.

Secondly, I mention taxes on incomes, inheritances and profits, whether such are graduated or otherwise. These taxes are usually justified on the ground of "ability to pay", a principle which I shall shortly examine.

Thirdly, we have taxes by monetary inflation, whether that inflation is carried out by governments or by other agencies. This unfortunately is not generally recognized as a method of taxation, but it is a very important method of taxation and resorted to very frequently. When a government inflates the money volume with its own promises to pay, it thereby decreases the purchasing power of the money already in the hands of its citizens. Therefore. it taxes them to that extent. I should like to read in this connection another extract from this book on Monetary Reform by John Maynard Keynes. I quote:

> A government can live for a long time, even the German government or the Russian government. by printing paper money. That is to say, it can by this means secure the command over real resources—resources just as real as those obtained by taxation. The method is condemned, but its efficacy, up to a point, must be admitted. A government can live by this means when it can live by no other. It is the form of taxation which the public find hardest to evade and even the weakest government can enforce, when it can enforce nothing else.

Further on in his book I quote again:

> It is common to speak as though, when a government pays its way by inflation, the people of the country avoid taxation. We have seen that this is not so. What is raised by printing notes is just as much taken from the public as is a beer-duty or an income tax. What a government spends the public pay for. There is no such thing as an uncovered deficit. But in some countries it seems possible to please and content the public, for a time at least, by giving them, in return for the taxes they pay, finely engraved acknowledgements on water-marked paper. The income tax receipts, which we in England receive from the Surveyor, we throw into the waste paper basket; in Germany they call them bank notes and put them into their pocketbooks; in France they are termed "rentes" and are locked up in the family safe.

It would be a good thing for our people generally if they would use some discrimination, insight and discernment in respect to this matter.

Mr. WOODSWORTH: Who were the beneficiaries of the deflation which took place in Canada? Did the government benefit?

Mr. GOOD: If the hon. member for Centre Winnipeg will wait just a moment, I propose to deal briefly with that subject, and I will try to answer his question when I come to it. Inflation is not always brought about by governments. Banks also inflate the money volume and thus bring about taxation. I should like to read in that connection just one sentence from John Maynard Keynes and also an extract from a speech by Professor Adam Shortt. This is the sentence from Mr. Keynes' book.

> The internal price level is mainly determined by the amount of credit created by the banks, chiefly the Big Five.

This has reference, of course, to Great Britain. That is a clear statement of a fact which is not generally recognized and admitted, and a fact which was denied last year in the Banking and Commerce committee by a good many of the Canadian bankers, but which Mr. Keynes, as an economist, and other economists have stated very clearly, namely that the banks, through their expansion and contraction of credit and the consequent alteration of the money volume, influence the price-level.

The reference which I submit from Prof. Adam Shortt is taken from an address which he delivered before the University of Manitoba on May 12, 1919, and is as follows:

> The credit expansion came mainly, however, through the advances made by the banks, especially the ad-

vances of credit to the government—largely in anticipation of future loans. Under the suspension of specie payment and taking the banking system as a whole, the indefinite continuance of this process is quite practicable because a credit once granted and poured by the issue of cheques into the general money volume of the country never passes out of the circle until it is retired, usually by conversion into another form, as when the bank advances are paid off by the further government loans. Thus a credit of $5,000,000, granted to the government is merely an entry in the bank's books, and when drawn upon by the government in favour of munition industries, transportation companies, and supply purveyors of all kinds, much of it may not leave the books of the individual bank involving nothing more than debit and credit entries in its ledgers. Even when the parties to whom the credits are transferred, keep their accounts with different banks, the interchange of such credits between the banks through the clearing house, practically offset each other in the long run. Thus a credit of even $5,000,000, on government account makes little or no drain on the individual bank, and none at all on the general circle of banks, unless it comes to a matter of foreign exchange.

These are very clear statements of the connection between the operation of our banks and the matter of inflation or deflation. I should like to submit that we have had in recent years sufficient evidence of the extraordinary danger and damage which may result from the unregulated, bungling and stupid lack of control or mismanagement in this regard.

Governments and banks also often combine to inflate when the former issue bonds which are paid for by borrowings and not out of savings. Instead of such a procedure it would be just as well, if not better, for the government to print paper money and thus save the interest. The effect on the price level is identical whichever policy is pursued, and we might just as well, as a people, pursue the more economical policy. In the United States and Canada during the war years we witnessed a tremendous inflation, and a large part of the inflation which was noticed was, no doubt, due to the issuing of bonds and the payment therefor by the extension of credit by the banks, the banks taking the bonds as collateral security. Now inflation is bad enough, but the mischief is made much worse by deflation, and, unfortunately that usually follows. I shall here answer, in part at least, the question which has been asked me by the hon. member for Centre Winnipeg. And I shall read in this connection some remarks by Mr. Keynes. I think this is particularly important for us to take to heart. I quote:

> In the first place, deflation is not desirable, because it effects, what is always harmful, a change in the existing standard of value, and redistributes wealth in a manner injurious, at the same time, to business and to social stability. Deflation, as we have already seen, involves a transference of wealth from the rest of the community to the rentier class and to all holders of titles to money; just as inflation involves the opposite. In particular, it involves a transference from all borrowers, that is to say from traders, manufacturers, and farmers, to lenders, from the active to the inactive,
>
> But whilst the oppression of the taxpayer for the enrichment of the rentier is the chief lasting result, there is another, more violent, disturbance during the period of transition. The policy of gradually raising the value of a country's money to (say) 100 per cent above its present value in terms of goods—I repeat here the arguments of chapter 1—amounts to giving notice to every merchant and every manufacturer, that for some time to come his stock and his raw materials will steadily depreciate on his hands, and to everyone who finances his business with borrowed money that he will, sooner or later, lose 100 per cent on his liabilities (since he will have to pay back in terms of commodities twice as much as he has borrowed). Modern business, being carried on largely with borrowed money, must necessarily be brought to a standstill by such a process. It will be to the interest of everyone in business to go out of business for the time being; and of everyone who is contemplating expenditure to postpone his orders so long as he can. The wise man will be he who turns his assets into cash, withdrawn from the risks and exertions of activity, and awaits in country retirement the steady appreciation promised him in the value of his cash. A probable expectation of deflation is bad enough; a certain expectation is disastrous. For the mechanism of the modern business world is even less adapted to fluctations in the value of money upwards than it is to fluctuations downwards.

We have seen in Canada, in the United States, and in many other countries a very serious inflation between the years 1916 and 1920 and a very marked and rapid deflation during the succeeding two years. The hon. member for Centre Winnipeg (Mr. Woodsworth) asked who was responsible for that. It is a big contract to answer that question, but in my judgment banks, governments, and a number of parties and institutions were responsible, although it would be difficult to fix the responsibility definitely upon any one group of people. At the same time, while it is difficult to fix this responsibility, it is absolutely certain, that immense damage has been done; and so far as this country is concerned we as legislators have a responsibility in that connection, to prevent a recurrence of this sort of thing in the future. No kind of taxation has been more frequently resorted to in recent years than that of altering the purchasing power of money, and nothing has done more harm.

Mr. MACLEAN (York): The hon. member has quoted a number of experts on taxation, and certain suggestions have been submitted. Would a permanent board of experts, men of extensive business experience, always in session, studying the changes that occur from time to time, prove of essential value as an advisory body available to parliament in dealing with these questions with a view to improving the system of taxation?

Mr. GOOD: I propose to deal with that matter definitely at the conclusion of my address, if the hon. member will be good enough to wait until then.

In the fourth place—to resume—I note what the hon. member for North Waterloo (Mr. Euler) has very properly termed "nuisance taxes." We have a variety of trivial imposts, such as stamp taxes, receipt taxes and I know not what, on all kinds of documents, which are a penalty on exchange. These are very similar to the taxes on consumption and there is little if anything to be said in their favour.

In the fifth place, and lastly, we have property taxes. Now, what do we mean by property? I submit that there are two kinds of property: First, there are those kinds of property which are not the products of labour, such, for example, as unimproved farm land, mineral resources, water powers, timber limits, and so on. Secondly, there is the property which is the product of labour such as wheat, houses, clothing, and so forth. And this distinction is given expression to in the farmers' platform by the phrase "unimproved land values including all natural resources." Briefly stated, therefore, property consists of two kinds, land-values and labour-values, which I think are two very concise terms, describing adequately two different kinds of property. As I shall attempt to show later on, a tax on land-values is a payment for service rendered to the individual by the community; and I submit that there is no other tax which conforms so completely to that principle of payment for service rendered as does the tax on land-values. The tax on labour-values, though it may be to some extent based on the principle of ability to pay, is largely in proportion to what the individual does for the community and not vice versa; in fact, it is very much the same in principle as the tax on consumption, where a man is taxed not in proportion to what he gets from society but in proportion to what he gives to society. And that, I submit, is a most anomalous and questionable procedure, particularly from the standpoint of common morality.

Now, I have surveyed the field of taxation which is familiarly known to us, and the question arises as to what principles are discernible in these various kinds of taxation. There are I submit only two principles discoverable in these systems of taxation that have any show of justice. Only two principles need we study any further, namely, first, taxation according to benefits received, or service rendered, which is another way of putting it; and, secondly, taxation according to ability to pay.

The principle of payment for benefits received is that which normally prevails in our business life. If for instance we go into a store to buy a pair of boots or a suit of clothes we do not pay in proportion to the amount of money we have in our pockets. The rich man pays no more than the poor man; every one pays for what he gets. That is the common principle that is accepted everywhere in ordinary commerce. Occasionally, however, this principle is departed from, as for example when a doctor charges a rich patient more than he does a poor one. That however, I submit, is the exception that proves the rule; and I think the world would be a rather topsy-turvy place if we departed very far from that sound common sense idea, of payment for benefits received. But some departure from the general principle is justifiable. And that leads us to the second principle, of taxation according to ability to pay.

The general argument upon which this principle is defended is based on the proposition that the individual is a social product; that all he has and is are due to social influences and forces; that society owes all to him and he all to society; that there is no real distinction between "mine" and "thine." To put it in brief, as one United States writer has said, the individual is "society at a point." I should like hon. members to retain that phrase in their memories: the individual is "society at a point." They will recall perhaps also some words that are put by Tennyson into the mouth of Ulysses when he says:

> I am a part of all that I have met.

This reasoning leads us to the well known motto of the socialist: "From each according to his ability, to each according to his need." It leads to communism, to that condition of society pictured by Edward Bellamy in two or three of his books. I am prepared to admit very frankly that there is a good deal of truth in such reasoning, and as an ultimate ideal it may be impossible to successfully challenge it. I suggest however that it is wise not to push its application too far or too fast. We have a long road to travel yet before we can safely deprive the individual of all rewards of individual effort and sacrifice. I think that would be safe only when, and as, the motive of rendering service to the public becomes dominant. Of course, it is true that the old and infirm and unfortunate are supported by the able-bodied and enterprising; the strong must bear many burdens for the weak, so that to this extent we oblit-

erate the distinction between "mine" and "thine." But we do not generally, or at least we should not, give the rewards of labour to the idler. Unfortunately, Mr. Speaker, we often do: unfortunately idleness often eats the bread of industry. But I think we should hesitate to endorse that principle. I think we should hesitate to make no distinction in reward between two farmers side by side on land equally fertile, equally well situated, one of whom is thrifty and industrious and the other extravagant and indolent. Are we prepared to ignore completely the difference between those two individuals and give no recognition to their individual efforts and individual sacrifices? I think not. Gradually I hope and believe the truth of the co-operative motto, "Each for all and all for each," will come apparent; gradually I hope and believe people will learn that the individual serves his own interest best in serving the public interest.

In this connection I have one or two quotations that I shall submit to the House in order to clarify the point. My first quotation is from the Public, an American journal which no doubt hon. members are familiar with, as follows:

> The proposal to tax land values to the exclusion of labour values should not be confused with either socialism or communism. It is individualism, pure and simple. It secures to the individual all that he produces as an individual and also his share of the social value that he helps to produce as a member of the community. It involves no new idea of property, no change in land titles, no increase of officials, and no complication of accounts.

The point there is simply this, that the taxation of land values is not socialistic. Whatever truth there may be in socialism would suggest a modification of the taxation of land values. This taxation is strictly individualistic as contrasted with socialistic. I now read a rather humorous letter from an ex-congressman of the United States, written some time ago to an American paper. It deals with this very point, and I think the House will appreciate its humour. It reads:

> I wish I felt equal to dictating an entirely profane statement of present conditions and where they are leading.
>
> With the same inevitable tendency that destroyed agricultural production in Russia by taking away peasant initiative, we are destroying every productive enterprise in this country, and need only a few million more bond salesmen, bankers, and rakeoff experts, to reach a millenium where everyone will live on the interest of his debts.
>
> We should go ahead wrecking commerce and destroying cargo by protectionist insanity and then restore the carrying trade by subsidizing vessels to haul bad air from New York to Rio de Janeiro and from San Francisco to Hong Kong. We especially need as a prophecy of prosperity high-priced land upon which to raise cheap foodstuffs and to conduct manufacturing operations. Four or five more agencies between the production of coal and the man with the chilblains will furnish a competence for millions of our people. We ought to give away our natural resources to philanthropists who will fence them in and who are willing to divide with many unnecessary distributing agencies but not with the producer or consumer.
>
> I sincerely hope you will publish a mean, nasty sheet that will devote itself to drastic criticism and avoid the attempt to provide theoretical Utopias.

I quote also from a speech recently delivered in the United States congress by Congressman Keller of Minnesota. I will refer to his activities later. The following deals with the point under consideration:

> But again it may be objected that my land value tax does not conform to the "ability-to-pay" principle of taxation. My answer is that it is a great improvement over this principle. The present ability-to-pay principle of taxation has two very serious defects:
>
> 1. It makes no distinction between incomes that are earned and incomes that are unearned, and
>
> 2. It penalizes the man who properly uses his land and rewards the man who deliberately keeps from using it. In other words, the ability-to-pay principle—or income tax—discourages industry and production and encourages idleness and speculation.

I come to this conclusion, Mr. Speaker, which I submit to the House, that the basic principle of sound taxation is payment for service rendered; that it is logical and necessary, however, that this principle should be modified to a limited extent by that of "ability to pay." Also, I think it goes without saying, a sound system of taxation should be such as cannot easily be evaded and shifted, and whose cost of collection is a minimum. In that connection I would submit to the House the four classic maxims of Adam Smith, as follows:

> The best tax by which public revenues can be raised is evidently that which will closest conform to the following conditions:
>
> 1. That it bear as lightly as possible upon production—so as least to check the increase of the general fund from which taxes must be paid and the community maintained.
>
> 2. That it be easily and cheaply collected, and fall as directly as may be upon the ultimate payers —so as to take from the people as little as possible in addition to what it yields to the government.
>
> 3. That it be certain—so as to give the least opportunity for tyranny or corruption on the part of officials, and the least temptation to lawbreaking and evasion on the part of the taxpayers.
>
> 4. That it bear equally—so as to give no citizen an advantage or put any at a disadvantage as compared with others.

Now, Sir, I ask the House: What system or systems best fulfil the above requirements both as to principles and methods? The quotation from Adam Smith deals largely with methods; the arguments that I have been advancing deal mainly with principles. I submit that the taxation of land values, above all other systems of taxation, is the one which conforms most closely to the requirements both as to principles and methods. Time will

not permit full elaboration, but I quote some authorities in this connection. I shall examine the subject under the following headings:

First, a tax upon land values is in proportion to service rendered, in regard to which I quote the following from C. J. Buell, author of The Minnesota Legislature:

> All the benefits of government are accurately measured—not by any man-made statutes—but by a law of nature as irresistible as the law of gravitation.
>
> What is that measure? The measure is this: The benefits of all good government are accurately reflected in the value of land. Why is a lot in one part of a city worth five, ten, a hundred, a thousand times as much as the same sized lot in another part of the same city? Everybody knows the answer. Where the streets are improved—paved and curbed, with sidewalks, water, gas, sewer, street car service, etc., there lots will be high priced, provided only that these improvements have been put in where they are needed —where the people congregate and need them to use. Build a new schoolhouse and lots go up in price. Run a paved road through the country and the farms will sell for more money. But good government is not the only thing that increases the price of land in the country or lots in the city. Every child born into the world adds to the value of land.

And he continues to elaborate that thought. I have also a quotation from Henry George dealing with the same subject but as it is somewhat lengthy I shall only mention it. However, I should like to quote a statement made by Dr. Bland, who is well known by most of the western members present. He says:

> But, to ascertain what benefits any man derives from living in a certain community is not impossible. It is not even difficult. He cannot live in such a community except on the land, and the price men are willing to pay for land represents precisely what in the general judgment are the advantages which that community provides for that location. Everything is taken into account in fixing that value—police and fire protection, schools, churches, roads, sidewalks, social and business opportunities. The price a man is willing to pay for any piece of land apart from improvements is his own acknowledgment, without any evasion or falsification, that he thinks it worth that much, at least, to be a landowning member of that community. The community, then, has the right according to its needs, to tax that man precisely in proportion to the value of the real estate he owns. If his real estate is very valuable, he is enjoying great benefits and should pay proportionately. If his holdings are of little value, he should pay little. If he owns no land, he should pay nothing.
>
> It is obvious no man can live in that community except as a landowner unless he obtains permission to live on somebody else's land. To obtain that permission, he will have to pay that landowner at least all the latter thinks the privilege of using that land is worth. This includes all the benefits that the community confers. Consequently, every tenant pays for community benefits in his rent. If a further tax is imposed on him he is being compelled to pay his taxes twice.

I had other quotations, Mr. Speaker, but I cannot cover the subject in any exhaustive way; I simply submit these as samples in

proof of a statement which I think can be made abundantly clear.

Second, this species of taxation cannot be shifted. I have here six quotations from economic authorities dealing with this point. I shall read only one of them, from Professor Thorold Rogers' Political Economy, as follows:

> A tax on commodities is always transferred to the consumer. A tax on rent cannot be transferred.

I have further quotations from Walker's Political Economy; John Stuart Mill's Political Economy, Ricardo's treatise on the same subject; Thomas G. Shearman's Natural Taxation, and E. R. A. Seligman's Incidence of Taxation. The argument, in brief, is as follows: If this tax can be shifted, if we may suppose that a landlord can shift his tax to his tenant, then he can raise the rent, but in that case the tenant will vacate unless other landlords can also raise their rents. To become effective, therefore, rents must be capable of being raised all round. But as everyone knows, the taxation of land values penalizes the holding of land out of use and must result in a tendency toward lower rents; therefore, the initial supposition is proved impossible. I have much additional information on the same point, but I think it need not be given to the House to-night. It can be clearly proven, Mr. Speaker, that this tax cannot be shifted.

Third, it cannot be evaded. Land cannot be hidden. The values are known or easily ascertainable; no tax dodging is possible. I should like to quote from some authorities in that connection, but as the hour is late I shall simply leave it at that.

Fourth, it will tax privilege and not industry; it will break monopoly and get rid of speculators. I have two very short quotations from Professor John R. Commons, of the University of Wisconsin; the first is as follows:

> Tax reform should seek to remove all burdens from capital and labour and impose them on monopolies.

The other quotation is as follows:

> If the size of fortunes is taken into account, it will be found that perhaps 95 per cent of the total values represented by these millionaire fortunes is due to those investments classed as land values and natural monopolies, and to competitive industries aided by such monopolies.

That is from Professor Common's book on the Distribution of Wealth. In that connection I need only refer to the land gambling mania that prevailed in our own northwest during the years 1910-12, with all its horrible and disastrous consequences.

Fifth, this type of taxation would stimulate production by cheapening land, cheapening commodities and forcing social parasites to work. I quote the following from Surgeon General Gorgas, who, you will recollect, supervised the construction of the Panama canal and may therefore be supposed to be a man of some weight and judgment in the United States. He wrote as follows in the Constructive Quarterly in 1916:

> For the first two hundred years of its settlement the United States had no tramp at the edge of starvation. Is it possible for us to reconstruct the economic conditions which existed during those first two hundred years? It seems to me that it is. . . . Fifty-five per cent of the arable lands are at present held out of use. . . .Any system of taxation whereby land values were taxed to such an extent that it would be unprofitable to keep them unused would bring about this desirable condition.

I have also, Mr. Speaker, some quotations from the late President Harding, Senator Ladd of North Dakota, Mr. Cullman of Chicago, president of the Manufacturers' and Merchants' Federal Tax League, and the following advertisement which is, I think, very notable. Members have heard of the place called Muscle Shoals in Alabama. Here is an advertisement that appeared in one of the American papers:

> "Buy lots in Muscle Shoals—'The Chicago of the South'—now! Your lots will be right in the path of the city's development. No matter who develops Muscle Shoals—government or private enterprise—Vast new industries are assured. These industries will mean a great inflow of population to Muscle Shoals, and land prices will advance rapidly.
>
> "Remember the basis of all land value is industry. Industry means population. Population means land values. The greater the population, the greater the land values."

This, of course, is a direct appeal to the cupidity of investors to protect themselves by buying this land and then exploiting those who might need to purchase it in the future. A few years ago I noticed a similar advertisement that appeared in one of the western papers with respect to land in Manitoba, advising investors to "buy now." That was just before the soldiers came back, so that when the soldiers should return, land hungry, the way would be clear to extort high prices from them. That was a compliment to Canadian patriotism!

Sixth, it is adequate to meet the needs. I have several quotations in that connection, but I shall read only one, from the Chairman of the United States Commission on the High Cost of Living. This article appeared in July, 1917. It says:

> The committee estimates that the aggregate unearned profits of land speculators, owners of natural resources and natural monopolies is approximately six and a half billion dollars this year, while the producers of the country have to pay nearly two and a half billion dollars in taxes, because landowners are permitted to retain most of the ground rent.

I may say I personally made some investigations as to the adequacy of the taxation of land values some years ago, and according to my figures—I have forgotten the exact figures at the moment—we could get a very large proportion of the revenue which is now necessary in Canada by a very moderate tax on land values.

Moreover, this type of taxation effectively discriminates between earned and unearned incomes. I mentioned when the resolution of the hon. member for Chambly and Vercheres (Mr. Archambault) was under discussion in this House that I would point out a more logical distinction between earned and unearned incomes than was described in his resolution, and I would like to submit to the House now that here is a logical and precise distinction between earned and unearned income. Theodore Roosevelt wrote as follows in this connection in the Century Magazine of October, 1913:

> We believe in a heavily graded income tax that discriminates sharply in favour of the earned, as compared with the unearned incomes.

William G. McAdoo, who may be a candidate for the United States presidency at the next presidential election, spoke as follows at Newton, Kansas, in 1921:

> The time has arrived when earned incomes should be distinguished from the unearned, and taxed at a lower rate.

I have another quotation from Professor Brown of Missouri University but I shall not read it on the present occasion.

Now, Mr. Speaker, having thus surveyed the field from the standpoint of economic theory, and established certain principles, and outlined the way in which the taxation of land values harmonizes with those principles and with sound maxims of taxation, I would like to submit very briefly to the House an outline of the progress which has been made throughout the world in connection with the movement for the taxation of land values.

First, in Europe: Municipally throughout Europe this system has been applied in connection with many municipal enterprises, not perhaps in the way it has been familar to us in America, but effectively though in a slightly different form. The kingdom of Denmark, a country which has led the world and is still leading the world in very many respects, in the year 1922 adopted for federal purposes a tax on land values, and I have here in this

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magazine a very interesting article outlining the growth of this movement in Denmark, which culminated in the course of some twenty years of education and propaganda in the establishment of this national tax on land values. It is perhaps significant that the movement in Denmark was begun by the organized farmers, and has been maintained by them ever since. Denmark is well known to us as a country of farmers, as a country which has shown the world and particularly the farmers of the world the best methods of organization, a country which stands out probably above all others in many essential respects, and certainly the first country in Europe to adopt what I claim to be this better system of taxation for federal purposes. Some time ago, in fact it was just last year, an international conference was held in England dealing with this question and I have here an address delivered by a Danish woman entitled the "Spiritual, Mental and Economic Background for the Henry George Movement in Denmark." She gives a very interesting account of the growth of this movement in Denmark. That is all the information I have time to submit in this connection as to the European situation.

Now in the Australasian countries this system has been adopted municipally provincially, and federally, for a good many years. I need not give the details as the hour is late, but there more than anywhere else this system has been worked out with considerable advantage. I must admit it has not developed much in recent years, probably due to the very heavy taxation resulting from the war. It may be also that as eternal vigilance is the price of liberty and progress, some friends of the movement there have become weary in well doing. I have a good deal of information here as to taxation in the Dominions of Australia and New Zealand which I shall simply refer to in passing, and not give to the House; I wish time permitted me to do so, but it will not.

Now in Canada I think we are more familiar with the situation, particularly our western members. I desire, therefore, simply to refer in passing to the very considerable degree of application of this system of taxation municipally in the various Canadian provinces, also to the provincial taxes on wild lands, or surtaxes or extra taxes that have been adopted in our western prairie provinces. I note also as significant the exemption of live stock and implements in practically all of the Canadian provinces for municipal taxation, and the additional exemption of buildings throughout all the rural municipalities, I understand, on the prairies. We all know the Drury Act that was passed in Ontario some few years ago, but which was recently repealed by the present government of Ontario, a most unnecessary and unfortunate action, in my judgment.

Federally, I would like to point out that this matter received some consideration in the Canadian parliament in 1919, when a subcommittee of the House of Commons, with Mr. Calder as chairman, reported on suggested forms of taxation as follows:

> With respect to the federal land tax—

That was intended, I believe, to be a federal land value tax, although it is not so stated.

> —this proposal came from many sources and is worthy of consideration. There is no question of jurisdiction. If parliament desires to levy a tax on all land within Canada whether used or not, it may do so.

Sir Thomas White, then Minister of Finance, said he had thought about a tax of this kind. There were some estimates as to what it might yield at that time. The further information I have here in connection with the Canadian situation I shall not submit to the House. I would like to remark, however, that there are a number of Labour organizations which have taken a definite stand on this matter. I have a resolution which was sent to me by one of the local labour organizations, also a resolution passed by the Ontario Independent Labour party in 1920, as follows:

> Therefore be it resolved that this convention favour the following plank in the party platform:
>
> The gradual elimination of import duties on all necessaries of life, such as food, clothing, including boots and shoes, and the tools and machinery used in production, the revenue hitherto derived from this source to be derived from taxation of land values and luxuries.

So far as the United States is concerned, the matter has been before congress for some years. I cannot say just what headway has been made, but Mr. Oscar E. Keller, one of the congressmen from Minnesota, has had several bills before congress for some years past and I have a copy of the Congressional Record, giving his speech delivered in congress on the 18th January last. I will quote a brief statement of his proposals as follows:

> The tax plan which I herewith submit consists of four bills. My first bill repeals a large variety of excise and nuisance taxes, including all corporation income taxes, the total reduction from these sources amounting roundly to $1,075,000,000.
>
> My second bill makes a distinction between earned and unearned incomes, and cuts the present rate on earned incomes in two, making a total reduction of about $230,000,000.
>
> My third bill increases the inheritance tax to the extent of about $110,000,000.
>
> My fourth bill places an excess tax of 1 per cent on the privilege of holding lands and natural resources worth over $10,000, after deducting all capi-

tal and labour values, improvements, standing timber. and fertility. This bill, as I shall show, will yield about $1,100,000,000 a year.

I refer to this to show that the matter is being considered seriously in the United States. It has also been under consideration locally in the United States for some time. In Pittsburg they have had it partially in effect for ten years with very satisfactory results. I shall not now refer to the various arguments presented in congress by Mr. Keller. I have much additional information regarding the situation in the United States, but as the hour is late I shall not submit it to the House.

Some time ago an hon. member in this chamber said we were not looking for precedents to the United States, that we ought rather to turn our eyes to Great Britain, and we have often heard of "the mother of parliaments." Therefore, I submit certain information to the House as to the situation in Great Britain. I quote first from the manifesto of the Labour party now in office:

> The Labour party proposes to restore to the people their lost rights in the land, including minerals, and to that end will work for re-equipping the Land Valuation department, securing to the community the economic rent of land, and facilitating the acquisition of land for public use.
>
> The increased revenue derived from taxation of land values would make it possible to reduce the burden of income tax, abolish not only the food duties, but also the entertainments tax, and the corporation profits tax, as well as provide money for necessary social services.

I might quote also the following from the present Lord Chancellor of the Exchequer, Phillip Snowden:

> We hold the position that the whole economic value of land belongs to the community, and that no individual has the right to appropriate and enjoy what belongs to the community as a whole. Let there be no mistake about it. When the Labour government does sit upon those benches it will not deserve to have a second term of office unless in the most determined manner it tries to secure social wealth for social purposes.

I have also a quotation from Ramsay MacDonald which I shall not read.

However a short time ago a deputation waited upon Mr. Snowden, representing 221 members of the British parliament who were personally pledged to the taxation of land values, and I have here a rather extended report of their interview with Mr. Snowden. I quote the following:

> Mr. Snowden said he agreed that the deputation was entirely unique in this respect that so far from seeking to make a raid on the treasury, it came to him with suggestions which would ultimately result in a large increase of revenue. He was in general accord with the aims of the deputation, and he adhered without qualification to the statement which he made last year that it was desirable to obtain for the public the enormous social economic value of land. He was in agreement as to the theory, the justice and the necessity of the taxation and rating of land values. The deputation had reminded him of promises made by the Prime Minister. He was pledged individually, and the Labour party was pledged as a party to deal with the matter at the first available opportunity.

I will not read the rest, but he goes on to speak about the difficulty under which the Labour party is exercising power at the present time, and the practicability of bringing this into effect in the immediate future. I quote also the remarks of the Right Hon. C. F. G. Masterman in reply as follows:

> The Right Hon. C. F. G. Masterman expressed the thanks of the deputation to Mr. Snowden and repeated the assurances which had been given that he would receive support from all progressive sections of the House of Commons in any proposals for the taxation of land values which he was able to introduce in the forthcoming budget. They would be prepared to spend nights as well as days in assisting him to press the measure forward, and would not care in the slightest to whom the credit was given so long as the object which they desired was achieved.

As hon. members know no such proposal was brought down in the last budget by Mr. Snowden for the very obvious reasons outlined by him in his reply to the deputation.

I mention next the question of the feasibility of the taxation of land values. There seem to have been doubts in some people's minds as to the feasibility of this system, but I submit the feasibility has been demonstrated by the actual carrying out of this idea in a great many countries. It was also considered feasible by a committee of this House a few years ago. I submit also that the taxation of land values is applied in part throughout Canada for local purposes, and during the war there was a provincial tax—not a tax on land values but on real estate—levied by the provincial government of Ontario for war purposes—a tax of one mill on the dollar on real estate.

I should like also to submit to the House that here is a system of taxation by which the federal government can utilize some of the machinery already being utilized for local taxation, at least to a very large extent; and in that way there will be great economies effected. The problem of the equalization of assessment is not an insuperable one, because it has been already tackled and solved to a reasonable degree by our various municipalities. For instance, in Ontario we have equalization as between the various townships for county purposes. We merely require the extension of the same idea in respect of provincial or federal taxes. I submit to the House also that here is a system in which we can collect local provincial and federal taxation with the same machinery. And any modi-

fication of it, such as is in conformity with the principle of "ability to pay," may be carried out through the existing income tax machinery.

We have at the present time a most complicated tax machinery and it is high time that there was some simplification. I should like to know the average cost of collection in Canada of our various taxes. I think it will be found to be very high. The multiplication and overlapping of machinery, is scandalous. In the taxation of land values we have a system that would lend itself easily to a very marked simplification in machinery. I do not, of course contend for reasons already advanced, that taxation of land-values is the only kind of taxation that may be justified. As I said, I think the principle of "ability to pay" has some logical and philosophical basis; but we ought to go very much further in the application of the taxation of land values than we have yet gone. We have not applied it at all as yet for federal purposes, and it is high time that we gave this matter consideration.

Concluding and in reply to the question of the hon. member for South York (Mr. Maclean) as to a commission or committee, I understand that in the Speech from the Throne the appointment of a committee or commission to study methods of taxation is foreshadowed. In fact, the government has, I believe, promised—and the Acting Minister of Finance (Mr. Robb) made reference to this the other day—that a committee would be appointed to study methods of taxation. I heartily endorse that suggestion; I hope it will be promptly and effectively carried out, and whether or not the committee should be made permanent will appear later. But the appointment of a committee immediately to go into this matter carefully, to study principles and methods, and to make some recommendations, is entirely wise, proper and timely. In that connection, too I should also like to repeat what I have said before, that there should be some co-operation between the federal, provincial and municipal authorities in order to abolish the present overlapping and waste.

I realize that I have imposed at great length upon the patience of the House; but as I stated at the outset, I would not have felt justified in speaking at this length, were it not for the fact that this subject, so far as I know, has never before been presented to this House in any but the most cursory fashion. For that reason and because of promised committee of inquiry, I have placed myself on record.

Mr. JOHN CARRUTHERS (East Algoma): Mr. Speaker, as a back bencher, one who is not enamoured with the sound of his own voice, I purpose to be very brief in my remarks on this subject to-night. In the first place, I wish, with former speakers, to express my regret at the absence from his accustomed place of our revered Minister of Finance (Mr. Fielding), and at the same time to congratulate his understudy upon the concise and short way in which he delivered the budget speech on this occasion, a budget speech that, I think, is more far-reaching and momentous than any that has ever been delivered in this House since the days of the so-called National Policy. In connection with that National Policy, I should like to put this question to the House. Will any hon. member stand in his place and state that he is satisfied with the progress that Canada has made in the last forty-five years under a high protective tariff? Canada, a country which comprises more than one-half of the continent of North America, a country that is rich in natural resources, yet in this year of 1924 has a population of only —I was going to say 9,000,000 people, but it is really less than 9,000,000 people.

I do not intend, as I said, to deliver any learned discourse upon this question. We have just heard a very learned symposium on taxation from the hon. member for Brant (Mr. Good), which leaves nothing to be said upon that point. We have also listened to many figures and statistics during the last few weeks in connection with this debate, figures and statistics that very few paid much attention to and, I believe, very few read after they are printed in Hansard. I intend only to give expression to a few wandering thoughts that have come to me in the somewhat idle hours I have spent in this chamber listening to the debate. One thing that has somewhat bewildered me in this debate is the action taken by our friends of the opposition in regard to two questions: One in regard to the Canadian National Railways; the other in regard to the protective tariff. As hon. members all know, the Canadian National Railways was a foundling left upon the doorstep of the Liberal party by our Conservative friends opposite. We had to take it in and do the best that could be done to keep it alive. We have done fairly well and the husky chap is growing very nicely, but unfortunately our friends opposite refuse to grant it the proper nourishment which would come from the branch railway lines that are required in order to keep the growth of that railway intact. The other question is the action taken in regard to the National Policy. I am a young member in this House, but I can well remember

the election campaign of 1878 when the National Policy was propounded by the Conservative party. In our old home county of Haldimand, I think it had no better advocate than the late Nicholas Flood Davin, whom a good many in this House will remember. I can remember perfectly the stand that he took in regard to that policy, namely that it was to be only a temporary policy and that as the industries which were protected grew in strength, the protection was to be gradually removed until it was wiped out altogether. I might also draw the attention of the House to the stand taken by the present leader of the opposition Mr. Meighen) in 1911 in regard to the National Policy. The resolution that he moved in this House on that occasion was as follows:

That in the opinion of this House a substantial reduction in the import duties on agricultural implements is now due the agriculturists of Canada, and is in just accord with the true end of a protective tariff.

That sounds almost like an echo from Brome. He also goes on as follows in the eloquent speech that he made on that occasion. I will quote just a few extracts from it and this is one of them:

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 that are only too obvious, become the slaves of those who helped them into power and who now maintain them there behind ramparts of gold.

I am afraid the leader of the opposition has capitulated to those gentlemen behind the ramparts of gold. Further on in the same speech he says:

Now, Sir, what are the manufacturers of agricultural implements enabled to do? They are able, under this tariff, to exact a higher price than they could exact if the tariff were lower. I do not say that a reduction will, to any very enormous extent, affect the price; I believe it will materially, and I think it will render some relief to, particularly, the farmers of the West, many of whom, notwithstanding any statements that have been made here, are struggling between success and failure every hour. It will accord some relief to them and I believe it is the bounden duty of the government to so afford it.

Here is another gem:

From 10 to 20 per cent is about the addition which these manufacturers are able to obtain from our farmers, by reason of the increased protection afforded them by this government.

Let me cite another passage from the hon. gentleman's remarks:

—but it has remained for this government to push the line far beyond that, and they have not only given the manufacturers a grip on the whole home market, but practically given them a monopoly of it and they have taxed the consumer in order to push the manufacturers and their industries successfully into the markets of the world.

A further statement he made was this:

But before I go into that, let me give you a few figures to show that the conditions of manufacture at the present time do not warrant a very material duty of any kind. . . . and I think I will convince the House that there is very little, if any difference in the cost of production of these machines on this side of the border and in the United States. . . . They (the manufacturers) are able under this tariff to exact a higher price than they could exact if the tariff were lower. It (the reduction of the tariff) will accord some relief to consumers and I believe it is the bounden duty of government to so afford it.

That was his view in 1911. At the beginning of this year, or in the latter part of last year, at London, speaking at a Conservative meeting, he made the following statement:

The tariff is at the bottom of the commercial stagnation of Canada to-day. The 2½ per cent reduction on farm implements has been followed this year by an increase in the cost of implements of Canadian manufacture and the mounting cost of production.

Now there is the problem. If the 2 1-2 per cent reduction in the duties on implements in 1922 has increased prices, why would a substantial reduction in 1911 have reduced them? It seems a strange conclusion to draw, and I wonder whether the leader of the opposition expects the Canadian people to accept "such a jumble of inconsistencies" as a National Policy for this Dominion. Protection to my mind is an unsound and illogical policy, especially for a young country like Canada which has great natural resources to be developed; for if you followed out protection to its logical conclusion, every country in the world would have a right to resort to it; and with a prohibitive protective duty in force everywhere, where would international trade go to, or what would become of the exportable surplus of the products of any country? Why, international trade would absolutely vanish and the manufacturers of each country would have only the home market as an outlet for their products.

I come from a riding in which all the basic industries are carried on—farming, mining, fishing, lumbering and paper making. It contains an area of about 20,000 square miles and has a population of some 50,000. Yet I can say that ever since my advent to this House I have received no request from any of the manufacturers or any of the other

people of that riding to advocate an increase in the tariff in order to help them in the promotion of their business. I think that high protection has been a bad thing for the country as it has encouraged the establishment of hotbed industries which should never have been started; because the goods they produce can be purchased more cheaply in other countries, and if these industries were not in operation in this country the capital tied up in them would have been invested in industries indigenous to Canada. However, as we have them with us I would not advise that they should be wiped out by a complete removal of protection; but I think there should be an excise duty nearly equal to the protective import duties, so that the manufacturers' profits derived from protection would go into the public coffers instead of into their own pockets. This would reduce taxation and encourage legitimate industry. Another reason for the hard times which the manufacturers complain of, and which high protection has encouraged, is found in the fact that during the war years a great many manufacturers, to avoid the excess profits tax, invested their surplus funds in increasing plants and machinery, with the result that to-day they are heavily over-capitalized, their plants being too large for the business they carry on, so that they find it difficult to pay dividends on that over-capitalization and watered stock. Hence the Macedonian cry for more protection in order that the manufacturers may secure higher profits out of the consumers of Canada.

Still another thing which, in my opinion, is affecting the ordinary staple lines of business is what I might call, for lack of a better name, the "jazz" industries of the country. Canada is automobile poor, it is radio poor, it is moving picture poor, it is golf poor, it is phonograph poor, and last of all it is becoming Mah Jongg poor. Let us take the business in radio equipment alone. Babson's report states that no less than $350,000,000 was expended on this continent on radio equipment last year, which means about $3 for every man, woman and child, or about $15 for every family. Well, if they spend $15 on radio they have to go without a few pairs of socks, a few pairs of shoes, and so on, because, as you know, the purchasing power of every country, every community and every individual is limited. If they spend their money on these jazz products they have not got it to spend on necessaries. For every dollar that is spent on this continent on boots and shoes, 25 cents is spent on radio; for every dollar that is spent on furniture, 33 cents is spent on radio equipment; for every dollar spent on carpets and rugs $2 is spent on radio equipment; for every dollar spent on musical instruments, 75 cents is spent on radio equipment, and so on. In this way, as I say, the business in the natural or ordinary products must be slowed up.

Just a word in regard to the agitation for a permanent tariff commission in order to study the whole trade question continuously for the purpose of advising the cabinet. I think the success of such a commission would depend largely upon its personnel. Such a board has accomplished little or nothing, I am told, in the United States, the government there having continued to act contrary to its recommendations. Such a commission might be tried by us, but it would not remove the question from politics or relieve the government of responsibility. In this connection let me quote from the last issue of the Toronto Saturday Night, which of course no hon. member will think is a very active antagonist of the big interests. This is what it says on the front page:

> Before the appointment of such a commission certain broad principles would have to be adopted by parliament. For instance, in granting protection to an industry no account should be taken of watered stock or any other security that has been given away or sold under circumstances that would not justify dividends on the merits of the sale and the money invested in the enterprise from the result of such sale. Anti-protectionists have a strong card in the argument that they refuse to regard seriously the earning of dividends, through a protective tariff, by industries whose capital as represented by stock certificates is made up one-half of water and the other half of real money. Any fair-minded man must agree to the principle that money is worthy of its hire, but that watered stock is not.
>
> Then again there are industries that may or may not, only close investigation can determine, be worthy of protection, owing to the limited amount of money distributed to workmen as compared with what it might be bought for by the consumer under free trade. For instance, if a firm is making a staple food, necessary to the entire community, and is asking three cents per pound more than it could be purchased for in the open market in other producing countries; and at the same time the distribution to Canadians in wages, salaries and in other quarters would be small in proportion to the sum total of the three cents per pound demanded, then that industry should not be deemed worthy of a protective tariff. Inasmuch as the cost to the country is excessive as compared to the benefits derived.

I now come to what I consider of far more importance to this country to-day than the tariff—I refer to transportation. This is the greatest problem confronting Canada, owing to our topographical and geographical features. The natural and economic route of our trade is north and south; the political and sentimental route is east and west. How are we

to reduce the cost of transportation over this long haul to the minimum and so allow our natural resources to compete on even terms in the markets of the world with countries that have a shorter haul and lower freight rates? Let us look for a moment at the railway situation. In my opinion it is anomalous and cannot continue. The two great transportation systems comprise about thirty-eight thousand miles or more of road, built at a capital expenditure of over two billion dollars, large stretches of both systems running through barren territory which does not contribute any local traffic. In the next twenty years, even allowing for natural growth and development, there will not be traffic enough to pay interest on this immense capitalization. Yet Sir Henry Thornton states that he expects in less than five years to meet all overhead charges on the Canadian National lines, and I think he will be able to do it. If so, it will have to be done at the expense of the Canadian Pacific's business. Let our people be honest with themselves. This is a question of business competition, and as our business men realize more and more that every dollar they pay into the national treasury to meet our railway deficit is that much more added to their freight bills when they ship their goods over the Canadian Pacific Railway, there can be but one result. That is why we hear so much of late about menacing the credit of the Canadian Pacific, and that we must not build branch lines in opposition thereto. "Hands off the C.P.R." is the watchword of certain interests. That is why we hear so much sniping from ambush on both sides of the House against government railway branch lines—and to say the least, Mr. Speaker, it is not a very edifying spectacle. Then we have Mr. Lambert Payne and the "Student of Railway Finance" and other propagandists soft-pedalling in the press and elsewhere in favour of Canadian Pacific interests.

It is self-evident that the people of Canada will never permit the Canadian Pacific to absorb the National lines and thus form a huge monopoly which would own the political soul of this country, so the only alternative is for the government to take over the Canadian Pacific Railway, as it should have done long ago. I have nothing against the Canadian Pacific; I think it has been a splendid institution for this country and I would hate to see anything happen to it, but from the way things are shaping to-day I see nothing but ruin ahead, in time. Contrary to what a great many think, the majority of the stock of the Canadian Pacific Railway Company is not held by Canadians in Canada; in fact, only about 20 per cent of the stock is held in this country, 23 per cent in the United States and the remainder in other countries, chiefly in Great Britain. However, that does not matter. As I say, we do not wish anything to happen to this great institution, and I am therefore strongly of the opinion that the government should take it over in connection with the Canadian National lines. If these two systems were amalgamated they could be operated much more economically and the country would obtain the advantage in the lower freight rates.

I would like to say a few words in connection with the Hudson Bay project, which is very dear, I know, to the hearts of some of our western members. No one in this House is more sympathetic to the western people and their demand for cheaper freight rates than I am. But I listened to the Winnipeg "On-to-the-Bay" delegation a few days ago on behalf of this project, and so far as I can see their only arguments were sentimental and political. Why, they said, do you not know that both the old political parties are committed to it? Even the hon. member for Last Mountain (Mr. Johnston) used this argument in his speech on the budget a few days ago. And now, in the name of common sense, I would ask you, Mr. Speaker, and the members of this House if the people of Canada to-day are to be bound down by the action or the stand taken by the two old political parties of Canada twenty years ago. I for one do not think so. A lot of water has passed under the bridge in the last twenty years. Canada is in a different financial position to-day, and, further, we have learned more about the possibility of navigation in the Hudson strait. It looks to me after a careful study of the question for the past two years like a mid-winter night's dream, and I hope the government will throw no more good money away on this project until they are absolutely assured by thorough investigation that it will be of some benefit in the way of lowering the cost of transportation. I am convinced that the annual deficit in operation alone would be enormous. By the way, I have some pictures here showing the "lovely" summer weather they had up there in July and August, 1914. To show that the West is not entirely unanimous in this matter I would like to quote, if the House will pardon me, two or three extracts from western opinion. Here is one from the editorial columns of the Edmonton Journal:

The representative of Prince Albert in the House of Commons, Mr. Andrew Knox, has been having a discussion with the Ottawa Citizen with regard to the Hudson Bay Railway. He concluded a letter to that newspaper as follows:

"Lastly, it might be well to keep in mind that editorials of this character will not deter the West from insisting that this much delayed, though much needed, national enterprise be completed at an early date."

Then the Edmonton Journal goes on:

It has too long been the habit of parliamentarians from this side of the Great Lakes to undertake to speak in the name of "the West," when setting forth their individual wishes, or those of their own particular districts. At least half of "the West" is very little interested in the completion of the line to Hudson Bay and it is doubtful if the people of the other half are as much concerned in having the project put through as its advocates represent. Alberta and the western half of Saskatchewan would be very foolish to lend their influence to it, when all the money that the government can spare is so badly needed for the construction of branch lines and the development of the western route. It is on the latter that the increased prosperity of the area in question must largely depend. There can be no comparison between the benefit which the West will derive from this route and that which can come to it through the Hudson Bay line.

Then, here is a small quotation from the Swift Current Herald.

Mr. KNOX: Might I ask if the hon. gentleman knows who controls the Edmonton Journal?

Mr. CARRUTHERS: No, I admit I do not know, I am just quoting what is given in the papers out there, which shows that they are not in perfect agreement on the subject throughout the western country.

Mr. KNOX: I think the hon. gentleman would find it interesting if he would investigate.

Mr. CARRUTHERS: Well, we will try to investigate. How about the Swift Current Herald? Is it owned by the same people? Here is what the Swift Current Herald says:

Misrepresentation prospereth nothing, and instead of assisting in getting early completion of the Hudson Bay railway by the style of campaign now being waged, the desired end will probably be defeated or postponed indefinitely. It is well known in informed quarters that there are many heavy investments in mines, etc., along the route and that these investors are anxious to get quick financial action through completion of the railway to the bay. They believe that by filling the minds of the farmers of the prairies with fairy tales about "transportation savings" there will be sufficient pressure brought to bear at Ottawa to hasten completion of the steel to Port Nelson.

That is from Saskatchewan.

Mr. KNOX: Is that not proof that there are some possibilities along the line of railway?

[Mr. Carruthers.]

Mr. CARRUTHERS: I am talking about it as a navigation project. In Ontario, where they found minerals in the north country, the provincial government built the Temiskaming and Northern Ontario road in order to permit the development of the mines.

Just one word more in connection with the Hudson Bay project. I wish to draw the attention of the Minister of Railways (Mr. Graham) to a press despatch in the Toronto Globe of April 30 which reads as follows:

Sir Henry Thornton to-day told a deputation from the "On-to-the-Bay Association" that he intended this summer to secure first-hand information on the Hudson Bay railroad through a personal trip of inspection which would take him to the end of steel and to the bay itself.

Then comes this, to which I wish the minister to pay particular attention:

Sir Henry Thornton said that if the government would vote the money for completing the road he was quite willing to go through with it.

Now I would like to ask the minister if this is what Sir Henry Thornton is paid $50,000 a year for, to pass the buck along from himself to the government and to parliament? I do not wish anyone to think that I have not a great deal of confidence in Sir Henry Thornton, because I have. I think he is a big man, and that he is handling a big job in first-class style. I do not think he gets a cent more than he is worth, and I am very doubtful if he is properly reported here, because that is not his duty at all. We are not paying him for passing the buck, if he did so, on to the government and this parliament. He is the man who must decide upon these questions from a business standpoint. He must give them his consideration, and then give us his advice as to whether the Hudson Bay route will be a paying proposition. If he thinks otherwise, he should not advise this government or parliament to spend any money upon it; that is my idea, at any rate.

Now, Mr. Speaker, I would like to say a few words about water transportation. We have in this country the greatest inland system of water transportation on the globe, but we are not utilizing it to the extent we should as a cheap method of transportation. The reason is, there is no government regulation of freight and passenger rates. The rates in my part of the country between Owen Sound and the Soo have almost tripled in the last twenty years and I suppose this applies to all the lake traffic. The steamboat companies are a law unto themselves, and we all know what happened when the government tried to regulate the rates on grain between Port Arthur and Fort William and the lower lake ports last season, but I can assure the

members of this House that the action of those large American steamship companies last year did more than anything else to crystallize public ownership sentiment in this country, at any rate in the province of Ontario, and we hope that during the coming year the government will utilize the merchant marine and other vessels to keep down the rates in the transportation of grain and other commodities from the western country. Another thing that should be done to cheapen transportation as soon as the finances of the country will permit is the construction of the Georgian Bay canal, which is about 300 miles nearer the seaboard from the head of the lakes than any other route.

Transportation experts claim that under normal conditions, even if the St. Lawrence waterway were deepened, grain could be carried by the Georgian Bay route anywhere from 3½ to 5 cents a bushel cheaper than by the St. Lawrence route, so that I am surprised to hear anyone have the hardihood to advocate the latter as far as navigation is concerned. Of course, we know that the development of electric power is really at the bottom of all this agitation for the deepening of the St. Lawrence waterway, but on the Georgian Bay canal we can develop nearly as much horse power and at about one-half the cost, and it will also help out, as I have said, in the cheapening of rail and steamboat transportation.

The Georgian Bay route will be free from international entanglements. It will give depth as well as length to our country. It will assist in developing the immense mining regions of the northern country. It will permit Nova Scotia coal to compete successfully with the foreign American bituminous coal, and thus the boats will carry grain from the west, and return to the head of the lakes with coal from the east, and as everybody knows return cargoes is the only method by which freight rates can be lowered. I may say that about 350,000 tons of American coal will be shipped through my own home port of Little Current this year for the industries of the north, at a value of about $2,000,000. It seems too bad that that money should be spent outside of Canada when by the construction of this Georgian Bay canal it could all be spent in our own country.

Here is another opinion upon the Hudson Bay route. It is from a retired transportation man who is now living in the West and is published in the last issue of Toronto Saturday Night. He says:

> This is not the time to force the government or the people of Canada to be stampeded blindly into what may well be a colossal blunder, so let us get down to facts, at least, instead of proceeding on sentiment and theory—ascertaining what the practical expectation will be if this route is completed and provided with facilities.
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> To start with, let us obtain a report from one or more thoroughly competent steamship officials, with managing and traffic experience in the North Atlantic trade, who can furnish the details of all costs which will have to be met, in addition, if any, to those applying in the St. Lawrence trade, in order that some reasonable estimate can be made of the probable freights which will have to be exacted from the bay. This will have to include extra costs of every kind in the ocean transportation, contrasted with costs from competing ports.
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> Another essential report should be one from the outstanding grain exporters, as to the value of grain available for export through the bay route, as against other North Atlantic routes in the world's grain traffic. From the same source, the extra charges for carrying grain over in storage at the bay, or in the interior, can be readily procured.
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> Surely we should be sensible enough to look to experts for such knowledge, on which the government might act with the full approval of the public which must eventually pay the bill, rather than the incitement to action by Grain Growers, Women's Clubs and others seriously lacking in expert knowledge of the business conditions and operations of the export trade. Regardless of political pledges covering the last thirty years, why not start out for the first time in a business-like manner?

Is not that good sound common sense? I will leave it to the judgment of the House. He continues:

> We are struggling as best we can to reconstruct our lives and business under a smothering load of taxation and excessive cost of living. Let us not complete our ruin by rushing blindly into enormous, and probably useless expenditures on sentiment, theory or specious, if not opportunist, political pledges of the past.

I should like, in conclusion, to read a few extracts from the Sessional Papers of 1909 in regard to the Georgian Bay route. As all know, a thorough survey was made of that route, and the following is taken from the engineer's report in the Sessional Papers of this House of 1909:

> Moreover, when this waterway can show from the head of the Great Lakes to the nearest ocean port, a through route shorter by nearly 300 miles than any other existing or possible route, thus assuring faster trips, quicker and larger returns, and lower through rates, it is bound in my opinion, not only to attract attention but to secure trade.

And again:

> The Ottawa river route, which is the most direct and quickest possible waterway from the northwest to a sea port. Only that route, in my opinion, can ever successfully compete with the routes which the United States authorities are trying to develop, and keep the transport of our trade wihin Canadian territory.

And again the report says:

> The Georgian Bay ship canal if built will occupy a privileged geographical situation over all other arter-

ies of commerce leading to an ocean port. The reduction in time of transit will allow vessels to make more trips during the season, which will have a tendency to reduce the rates from Fort William to Montreal. Its northern position will give great advantage for the transport of perishable goods. Its course is far from international boundary lines and no international waters are involved.

And the last quotation is in regard to the importation of Nova Scotia coal to northern Ontario. The report says:

The advantages of the Georgian Bay ship waterway are apparent, as the Canadian coal shipped via the St. Lawrence comes directly in competition with United States coal, the route being along the international boundary. The proposed waterway, however, would carry it through the heart of the province rich in minerals, the highest development of which depends upon coal.

Delivery can be made as advantageously to interior points in Ontario, from the line of the Ottawa route, as from St. Lawrence, lake Ontario or lake Erie ports.

The average lake rate on coal from lake Erie to lake Huron and Georgian bay ports is 35 cents per ton. The average rate to upper lake ports is 40 cents per ton. The average rail rate from the mines to, say, Cleveland is about 78 cents per ton, making a through rate of $1.13 to $1.18 respectively.

The average rail haul from the mines to the lake front is 140 miles. From Cleveland to Fort William about 800 miles—total 940 miles. Vessels engaged in this trade usually secure return cargo.

The distance Sydney to Montreal is 815 miles, Montreal to Fort William 882 miles, total 1,697 miles. Taking the lake rate Cleveland to Fort William as a basis, the rate Sydney to Fort William would be about 85 cents per ton as against a rate of $1.18 from the United States mines, with the advantage of non-transhipment. It will be noted that there is a difference of 33 cents per ton in the rate of freight to Fort William in favour of Canadian coal. To this add the duty of 53 cents per ton, making 86 cents per ton in all in favour of the home product.

Now, Mr. Speaker, I have summarized my suggestions as to transportation and they are as follows:

1. Amalgamate the Canadian Pacific Railway and the Canadian National lines.
2. Place the regulation of lake freight and passenger rates in the hands of the Railway Commission.
3. Abandon the Hudson Bay route.
4. Utilize the Canadian Merchant Marine in regulating lake freight rates.
5. Encourage further development of the western transportation route both at Vancouver and Prince Rupert.
6. Build the Georgian Bay canal.
7. Government insurance of transatlantic traffic and regulation of rates by utilizing the merchant marine.

I think this is the most important question in Canada to-day and the only possible way for us to get the full benefit from it is to have complete government control of rates from the prairies of the West to the place where the grain of the West must be marketed, in the Old Land, and the government must control it throughout, as hon. members can see from the experience we have had in the last year or two. They have cut down the rates on lake freight, but the other companies will say "Well, the traffic will stand a little more" and they will put up the ocean rates, and in that way the farmers of the West get no benefit.

I hope that the members of this House and the people of this country will get away from this narrow provincialism, get a wider outlook, and stop whining and whimpering about trade and commerce. Everything is going along all right in this country if we only think so.

The Minister of Agriculture (Mr. Motherwell) yesterday read the Massey-Harris statement, just to show our Conservative friends that we are not going to the demnition bow-wows all at once and entirely—

Mr. STEVENS: Just by piecemeal.

Mr. CARRUTHERS: And that there is an unrest which does not really exist among the manufacturers. Here is a report in last night's Globe, of an interview at Oshawa, with Mr. R. S. McLaughlin. It says that Oshawa will produce 5,000 cars, and so on, and the interview winds up in this way:

So far as the citizens of Oshawa are concerned, we hope that none of them will become unduly excited, as it looks to me as if we are going to have a very nice business, both domestic and export, and as if the horizon all around is gradually clearing a little.

It may interest you to know that the month of April was the greatest we have ever had. We shipped 4,755 cars. I am sure you will also be delighted to learn that our schedule for the month of May exceeds even that of April, as we will produce over 5,000 cars. These facts speak eloquently for themselves.

So that apparently all the manufacturers of this country are not so terribly worried as our friends, the Conservatives opposite, would lead us to believe.

Mr. SIMPSON: There is no reduction on automobiles.

Mr. CARRUTHERS: I am not referring to that. But remarks have been made across the way about feelings of unrest. It was not in regard to agriculture, but in regard to all other industries.

Mr. SIMPSON: Automobiles cost money.

Mr. CARRUTHERS: In conclusion, I think we should get away from all these whispers of death. This country is all right. All we need to do is to work. We have the proper policy laid down by our government, and I am confident it will mean successful business in the country for many years; therefore I would implore my hon. Conservative

friends especially, to keep their eyes away from their shoe tops and lift them up to the mountain tops once in a while, and see the vision there of a united and prosperous Canada.

On motion of Mr. Stevens the debate was adjourned.

On motion of Mr. Graham the House adjourned at 11.12 p.m.

Friday, May 9, 1924

The House met at three o'clock.

REDISTRIBUTION BILL

Hon. E. M. MACDONALD (Pictou, Minister of National Defence) presented the first report of the special committee, to whom was referred Bill No. 2, to readjust the representation in the House of Commons, as follows

Your committee, in accordance with a resolution adopted at their meeting held this day, recommend that it be given leave to have its proceedings printed from day to day for the use of members of the committee and of the House, when deemed advisable, and that rule 74 in relation thereto be suspended; also that it be given leave to sit while the House is in session.

All of which is respectfully submitted.

He said: With the consent of the House I would move the adoption of this report.

Sir HENRY DRAYTON (West York): Mr. Speaker, we are not at all instructed and therefore are in no position to consent. My hon. friend had better let the matter stand until the next sitting, or give notice in the usual way.

Mr. MACDONALD (Pictou): The report simply asks leave for the committee to sit while the House is in session. It was concurred in by all the committee.

Sir HENRY DRAYTON: It also contains a recommendation that the proceedings be printed. I do not know whether everything ought to be printed or not.

Mr. BELAND: Perhaps my hon. friend would be in a better position to form an opinion if the report was read to the House.

Sir HENRY DRAYTON: I heard it read.

Mr. LAPOINTE: You are an obstructionist.

Sir HENRY DRAYTON: Not at all; I am simply insisting upon the observance of proper order and decorum.

UNITED CHURCH OF CANADA

Petitions were presented from certain members of the following congregations, severally praying that the proposed legislation incorporating the United Church of Canada, be not enacted:

Knox Presbyterian Church, Goderich, Ontario,—Mr. King (Huron).

Gordon Presbyterian Church, Edmonds, New Westminister, B.C.,—Mr. Clark.

Presbyterian Church Association, Port Arthur Branch, Ontario,—Mr. Kennedy (Port Arthur and Kenora).

Petitions were presented from certain members of the following congregations and bodies severally praying that the bill now before the House to incorporate the United Church of Canada be passed during the present session:—

Central Methodist Church, Stratford,—Mr. Reed.

Presbyterian Church, St. Peters Bay, P.E.I.; Methodist Church, Gladstone, Man.; Methodist Church Manitou Man.; United Church, Saltcoats and Perley, Sask.; Trinity Methodist Church, Manitou, Man.; United Church, Church at Henford and Pleasant River, N.S.; Presbyterian Church at Dalhousie, N.B.; Riverdale Methodist Church, Toronto, Ontario; F. L. Campbell and 73 others of Ottawa, Ontario,—Mr. King (Huron).

Presbyterian Church, Raymore, Sask.; Knox E. E. Alger and 22 others of Lumley, B.C.; Presbyterian Church, McGreary, Man.; Highlands Methodist Church, Edmonton, Alta.; Presbyterian Church, Manitou, Man.; Carleton Methodist Church, St. John, N.B.; Presbyterian Church, Darlingford, Man.; Union Church, Kennedy, Sask.; Fort Rouge Methodist Church, Winnipeg, Man.; Camille Presbyterian Church, Holland, Manitoba; Methodist Church at Thornhill, Ont.; Union Church, MacGregor, Man.; Presbyterian Churches at Pefferlaw, Sutton West and Egypt, Ontario; Methodist Church at Sutton, Ontario; Union Church at Trout Mills, Ont.; Douglas Methodist Church, Montreal, Que.; Union Church, Hanley, Sask.; Presbyterian Church and Methodist Congregation, Holland, Manitoba.—Mr. Johnston.

Methodist Church, Hamilton, Ontario; United Church at Tatamagouche, N.S.; Presbyterian Church at Selma and Noel Shore; Methodist Churches at Unionville and Milliken, Ontario; Knox Presbyterian Church at Redvers, Sask.; Donald MacLeod and 30 others of Bengough, Sask.; Methodist Church, Constance, Ont.; United Church at Binscarth, Manitoba; Methodist Church at Wal-

laceburg, Ont.; Union Church, Oyama, B.C.; Calvary Congregational Church, Westmount, Quebec; Methodist Church at Arnprior, Ont.; Presbyterian Church, Kansack, Sask.; Methodist Church, Thorold, Ontario; D. A. McLennan, and 33 others of Mather, Manitoba; Methodist Church at Mount Hope; United Churches at Colgate and Ingleford, Sask.; United Church at Silverton, Man.; Methodist Church, Hamilton, Ontario; Presbyterian United Church, Lamont, Alberta,—Mr. Manion.

Westmount Methodist Church at Westmount, Quebec; Central Presbyterian Church at Hamilton, Ont.; Methodist Church, Blenheim, Ontario; Victoria Ave. Methodist Church at Brandon, Manitoba; Presbyterian Church at Bristol; Presbyterian Church at Longford; Ridout Street Methodist Church, London, Ontario; Presbyterian Church at Kenmore and Marvelville, Ontario; Central Methodist Church, Windsor, Ont.; United Church, Newdale, Man.; Methodist Church at Ingersoll, Ont.; Presbyterian Church, Oakburn, Man.; Central Methodist Church at Moncton, N.B.; Chalmers Presbyterian Church,, Quebec, Que.; Union Church at Weyburn, Sask.; United Presbyterian and Methodist Churches at Rouleau, Sask.; Methodist Church, Vancouver, B.C.; Presbyterian Church at Bar River, Maclennan and Desbarats,—Mr. Black (Yukon).

Presbyterian Church, Yarmouth, N.S.; L. M. Hayden and 7 others of Montreal, Quebec; Methodist Church at Stanstead, Que.; United Church at Metz and Dracon; Methodist Church at Canton, Ont.; Chalmers Presbyterian Church, Lansdowne, Ontario; Wanstead Ave. Union Church, Toronto, Ont.; Methodist Church at Tintern, Ont.; Union Congregations at Hearst and Hazel, Ontario; Methodist Church, Shetland; Congregational Church, Rock Island, Quebec; Methodist Church, Coaticook, Ontario; Methodist Church, Elora, Ont.; Union Church, Cardale, —Mr. Sexsmith.

First Methodist Church, Brandon, Man.; Union Church, Angusville; Union Church, Earlton; Methodist Church, Bruce County, Ont.; Methodist Church, Bethesda, Ont.; Union Church, Winnipegosis, Man.; Methodist Church, Arkona, Ont.; Union Church, Morris, Man.; Union Church, Manor, Sask.; Windermere Ave. Methodist Church, Toronto, Ont.; Presbyterian Church, Bethune, Sask.; Methodist Church, Southwold, Ont.; Minto Presbyterian Church, Moose Jaw, Sask.; Methodist Church, Shedden, Ont.; Methodist Church, St. Lambert, Que.; United Presbyterian and Methodist Congregations, Minesing; Methodist Church, Baptiste, Ont.; Cooks Presbyterian Church, Kingston, Ont.—Mr. Ladner.

Presbyterian Church of Upper North River; Presbyterian Church, Elizabeth Bay, Ont.; Methodist Church, Eburne, B.C.; United Church, Capreol, Ont.; Methodist Church, Oakland; Presbyterian Church at Victoria Mines, Ont.; Methodist Church, Lake Saskatoon, Alta.; United Church, Shepard, Alta.; United Presbyterian and Methodist Churches, Port Hood, N.S.; Mrs. J. W. Thring and 16 others of Wiste, Alta.—Mr. Warner.

Methodist and Presbyterian Churches, Aylmer, Ont.; Centenary Methodist Church, Montreal, Que.; United Presbyterian and Methodist Churches, Vars, Ont.; Methodist Churches, Vasey, Hobart and Hillsdale, Ont.; St. Andrew's Presbyterian Church, Westmount, Que.; of D. Cryderman and 55 others of Norham, Ont.; Methodist Churches, Niagara-on-the-Lake and Virgil, Ont.; Davenport Presbyterian Church, Toronto.—Mr. Morrison.

Presbyterian Church, Alton, Ont.; Union Churches, Carnarvon, Bethany and Blairhampton; Methodist Church, Ripley, Ont.—Mr. Black (Yukon).

Methodist Churches in Hay Bay, Gretna, Anderson, Oshawa District, Ont.; Emmanual Congregational Churches, Montreal, Que.; Presbyterian Church, Merivale, Ont,; Wellourn, Ont.; First Methodist Church, Hamilton, Ont.; Methodist Church, Picton District, Ont.; Methodist Church, Inverary, Ont.; St. John's Presbyterian Church, Belwood, Ont.—Mr. Hopkins.

Methodist Church, Hudson, Que.; Methodist Church, Kentville, N.S.; Methodist Church, Richibucto, N.B.; R. S. Boyle and 91 others of Cobden, Ont.; Methodist Church Rocanville, Sask.; St. Andrew's Presbyterian Church, Wingham, Ont.; Sydenham Street Methodist Church, Brantford, Ont.; Union Church, Wilcox, Sask.; C. W. McDonald and 47 others of Bengough, Sask.—Mr. Clark.

Methodist Church, Bolton, Ont.; Methodist Church, Yarmouth Centre, N.S.; of J. Stoodley and 12 others, of Ganges, B.C.; Kensington Church, Montreal; Methodist Church, Port Lambton, Ont.; Presbyterian Church, Steveston, B.C.; Methodist Church, Staffa, Ontario; Presbyterian Church, Lulu Island, B.C.; Methodist Church, Fort Frances, Ont.; Presbyterian Church, Kelfield, Sask..; United Church, Viscount, Sask.; St. Andrew's Presbyterian Church, Tugaske, Sask.; Broadway Methodist Church, Winnipeg, Man.; St. Paul's Methodist Church, Morden, Man.; Ruther Glen Presbyterian Church, McAuley, Man.;

Nokomis Union Church, Nokomis, Sask.; Methodist Church, Culloden, Ont.; St. James Square Presbyterian Church, Toronto,—Mr. Spence.

Presbyterian Church, Kenton, Manitoba; Methodist Church, Escott, Ont.; United Church at Chipman, Alberta; Methodist Church, Madoc, Ont.; First Presbyterian Church, Hanna, Alberta; Presbyterian Church, Ogden, Ont.; Methodist Church, New Ontario; United Church, Taber; Knox Presbyterian Church, Lynn Valley, B.C.; Centennial Methodist Church, London, Ont.; Presbyterian Church, Antelope; Carseland, Alberta; Methodist Church, New Castle, N.B.; Ukrainian Presbyterian Church, Winnipeg, Man.; Methodist Church, Port Perry, Ont.; Presbyterian United Church, Rainy River, Ont.; Methodist Church, Fordwick, Ont.; St. Paul's Presbyterian Church, Agricola, Alberta; Central Methodist Church, Woodstock, Ont.; United Presbyterian and Methodist Church, Sunnyside, Alberta.—Mr. Baxter.

ST. LAWRENCE RIVER WATERWAY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to lay on the Table further correspondence between Canada and the United States with reference to the St. Lawrence waterway project; also copies of orders in council respecting the appointment and personnel of the Canadian National Advisory Committee, the Canadian members of the Joint Engineering Board, and the Canadian technical officers who are to confer with the technical officers of the United States respecting matters to be submitted to the Joint Engineering Board.

PRIVATE BILLS

FIRST READINGS

Bill No. 88 (from the Senate), for the relief of Jessie Ruth Haverson.—Mr. Sheard.

Bill No. 89 (from the Senate), for the relief of Arthur Foord.—Mr. Arthurs.

Bill No. 90 (from the Senate), for the relief of Harold Gordon Hendry.—Mr. Sheard.

Bill No. 91 (from the Senate), for the relief of Karl Peter Hansen.—Mr. Ladner.

Bill No. 92 (from the Senate), for the relief of Ethel Hadden.—Mr. Sheard.

Bill No. 93 (from the Senate), for the relief of William James McLaughlan.—Mr. Ross (Kingston).

Bill No. 94 (from the Senate), for the relief of Alyce Wilson.—Mr. Boys.

Bill No. 95 (from the Senate), for the relief of Lemuel Burkett.—Mr. LeSueur.

Bill No. 96 (from the Senate), for the relief of William Ewart Gladstone Pettinger.—Mr. Harris.

Bill No. 97 (from the Senate), for the relief of Anna McGeachey.—Mr. Sheard.

BONUS TO DISABLED VETERANS

On the Orders of the Day:

Mr. GEORGE BLACK (Yukon): Before the Orders of the Day are called, I would like to direct the attention of the government to a report in this morning's Ottawa Journal, as follows:

> There never was a trace of downheartedness among the members of the Amputations' Association assembled in convention here this week, but if Canada's maimed war veterans required a cheering message, it was forthcoming last night, when Hon. Dr. H. S. Béland, Minister of Soldiers' Civil Re-establishment and Public Health, speaking at the dinner given at the Chateau Laurier, assured them that legislation would be introduced at this session of parliament making permanent the cost of living pension bonus to permanently disabled. Dr. Béland's announcement was received with thunderous applause and deafening cheers. It was the government's reply to the demand of the members of the Amputations' Association of the Great War for a definite decision of the bonus matter.

I would like to ask the government whether that is a correct statement of the government's policy in this regard?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sorry that the hon. Minister of Soldiers' Civil Re-establishment (Mr. Beland) is not in his seat at the moment to reply on behalf of the government to my hon. friend. My understanding is that at the banquet last night the minister spoke, after the leader of the opposition (Mr. Meighen) and the leader of the Progressive party (Mr. Forke) had spoken, with reference to the matter to which this report relates. He intimated that he felt quite sure that all parties in this House would be ready to agree in the matter of making permanent the bonus of the disabled men. In speaking in that way he spoke with the full concurrence of the government.

Mr. BLACK (Yukon): I take it, then, that that is the government's policy?

Mr. MACKENZIE KING: I think that what I have said would indicate that it is,—yes.

Sir HENRY DRAYTON: Everybody else has spoken. We are all helping you.

THE BUDGET

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

The House resumed from Thursday, May 8, the debate on 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 Mr. Woodsworth.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, as a basis for the contribution which I propose to make to this debate I desire first of all to recite some obvious facts and then to outline certain problems and perplexities facing the people of this country, whereupon I shall offer to the House what I believe will most effectively assist in dealing with and solving these problems and perplexities. In the first two divisions of my remarks I hope to carry with me the united approval and concurrence of the House; in the others I know I shall enter upon controversial ground, because there is room for difference of opinion. In respect to these I shall merely attempt to present what I believe to be in the best interests of the country under the circumstances.

In the first place, let me direct the attention of the House to something which perhaps it is wholly unnecessary to state, but which I refer to merely for the purpose of laying a basis for what I shall say later. Canada is vast in area, but it is divided into two general sections by a great V-shaped plateau stretching from the shores of Labrador southwesterly into Ontario, taking in the northern part of Quebec and Ontario, then proceeding westerly, taking in the northern half or more of Manitoba and the northern section of Saskatchewan and touching the northern half of Alberta. This great plateau, a vast area of forest and lake wilderness, has formed what has sometimes been described as the despair of the statesmen of Canada. It contains, however, great mineral wealth.

In natural resources Canada is peculiarly placed, in regard to forest and fisheries, mines, arable land and water-power—the latter particularly I shall bring to the attention of the House. In fact, Sir, we have every prerequisite necessary for a great nation, industrial, agricultural, and scientific. In addition to this, Canada has peculiar advantages in markets and transportation. We have the Great Lakes transportation facility, unexcelled in so far as inland waters are concerned, by any country in the world. We have systems of railway transportation which are unequalled, considering the nature of the country. Consequently we may say that our transportation facilities are of the highest type. So far as markets are concerned, on the east we have reasonably ready access to Europe and its great markets, and on the west coast we have access to the great new and growing markets of the Orient. In spite of these advantages—geographical, marketing, climatic, transportation and natural resources—we find a condition of depression and anxiety pervading this country; industry is languishing and agriculture is complaining; taxes are high, and emigration, to the United States in particular, is becoming alarming. The question I want to put to the House is this: What is the trouble; what is wrong with the country? I hold that it is the duty of members of this House to solve, or attempt at least to solve, this problem.

Let me, as the second point, state what I believe to be the problem. I think the House will agree that the problem facing Canada today is, first, lack of true national co-operation. The country is divided occupationally as well as geographically. I have pointed out the geographical division of the country by that vast area north of lake Superior in northern Ontario which constitutes a hiatus between the East and the West, and, as I say, there is an occupational division as well as a geographical one. Second, there is a financial stringency; there is a peculiar difficulty in getting credit, at least on the part of certain sections of the community. Third, capital is becoming timid and is not investing in Canadian enterprise and development as we would like. Fourth, although transportation facilities are unexcelled in their magnitude and in their distribution over the country, nevertheless there is a grave shortage of tonnage for the transportation facilities that we enjoy. I think the House will agree that that is a fair statement of fact.

Now I come to the third part of my remarks, which will almost certainly be controversial. The function of parliament, as I understand it, is to determine what general policy or political principle shall be applied to the solution of this problem. It is the peculiar function—indeed, Sir, the duty—of parliament to search out some general policy that will meet to the fullest possible extent, and solve, the problems and perplexities that confront the people of Canada.

From time to time in debates and discussions in this House there are those who are, perhaps I might say, allied to the new political school of thought. My hon. friends to my left call it the Progressive party; it is designated in different ways; some call themselves Independents, and so forth, but those who belong to that school of thought sometimes reproach us who still hold allegiance to the old parties with being more or less reactionary, and also with being really Conservative or Liberal, as the case may be.

by birth, rather than by reason and by choice. Now, in case that that charge may be levelled against me, and in order that I may offer what argument I have to offer, with, shall I say, a brand of independence attached to it—let me say to those who offer this criticism, that my recollections of politics dated back to my early days when I went down through the streets of old Bristol to a polling booth and waited while my father polled his vote for the late William Ewart Gladstone. He, grand old man, very naturally you would expect me to say, was a strong supporter of Mr. Gladstone, and a Liberal all his life to the day of his death in 1894. Now, as to the background of my political persuasion from the standpoint of reading. I early took an interest in political economy and political works. I remember very early in my life, long before I exercised the franchise, reading with a good deal of interest Progress and Poverty, by Henry George, Wealth of Nations, by Adam Smith, and the utterances of John Stuart Mill and others; I merely cite this to show that the background of my political faith and my early persuasion as far as I was concerned personally, were Liberal and not Conservative. But when the ballot was placed in my hands in this country, when I became of age, I addressed myself as well as I could to the decision that I was bound to make as to my political alliance and I came to a decision at that time based upon arguments which I thought were sound then, and which I think are sound to-day, and which I purpose bringing before the House this afternoon, that the great National Policy of Sir John A. Macdonald, as preached and taught and practised by the Conservative party was the best political doctrine for the development of the Dominion of Canada. I merely cite that by the way, and I hope that I may be acquitted at least of the charge that I am following this course simply because I was born to it, when, as a matter of fact, I was not.

My hon. friend from East Calgary (Mr. Irvine) the other day in a public speech he made, referred in a manner of ridicule, I think, to those who reasoned, as he said, from the past down to the present; in other words, he intimated that those of us at least who hold the Conservative faith, were far behind the times. Indeed he took us back to the time of Bacon, and said that ever since that time that form of reasoning had been abandoned and that it was altogether out of date. I was interested in reading his speech and I turned up a quotation that had occurred to me some time ago from Bacon, which I will quote to him and to those interested in that particular school of thought as worthy of their consideration. Bacon has this to say in his Advancement of Learning:

> Antiquity deserveth that reverence, that a man should make a stand thereupon and discover what is the best way; but when discovery is well taken, then to make progression.

In other words, translated into what might be called the parlance suitable to the discussion before us, these words mean that we should bring from the rich storehouse of experience and history all the knowledge we have, to bear on the problems before us for consideration, determine what is the best course to pursue, and then make progress. And, that, sir, is the true modern Tory doctrine; that is what the Conservative party believes in. We believe in holding to such institutions and such things and policies as time and experience have proven to be sound and true, but not to hold to them as they applied one or two or three hundred years ago, but having searched out from amongst them that which is still applicable to modern problems, to take our stand there and make progress along the line of sound and reasonable development.

There is another school of thought which might be called the school of experimenting with parliamentary and governmental affairs. That school includes those who are restive—shall I say?—under some of the old institutions. My hon. friend from West Calgary (Mr. Shaw), the colleague of my hon. friend from East Calgary, gave us a very eloquent address the other day, but one of the things above all others that ran through his address was a repudiation of things that have been in the past, and an impatience with such: and this school of thought desires to enter into experiment with untried and unknown practices in regard to government.

With this extreme school there is allied what might be called the opportunist group, and with that group I classify my hon. friends opposite, particularly as exemplified in this budget—opportunists who, counting noses in the House of Commons, and finding they are a little short, ask: "What shall we do? Why, across the way,"—'angularly opposite,' as it were—"is a large group which may be tickled into supporting our proposals and our government if we can concede something. What shall we concede? What is the minimum?" And so certain tampering, certain meddling with the fixed and proven-sound policy of the country is indulged in for the sake of getting a little support. So

I am justified in saying to the Prime Minister (Mr. Mackenzie King) that he and his party can properly be classified as belonging to the opportunist school of political thought.

Now, Mr. Speaker, I take my next step. I want to examine as to what principles and policies can best be applied to the development of Canada's natural resources, the illimitable resources of this vast estate which is committed to our care to develop and administer. We are, as it were the directors, the trustees, of this great estate. Now then, what policies shall be applied to this estate so as to bring forth a maximum of reward to Canada as a whole? Last year the province of British Columbia produced 22 varieties of mineral products; I am merely citing this as an illustration I have the list under my hand, with the tonnage and all the rest of it. Now, a large proportion of the 22 varieties of the mineral products that were mined in British Columbia went out of Canada in an undeveloped, raw condition. What advantage is it to Canada to dig out of the ground a ton of copper ore, which is nothing more than ordinary rock until the processes of science are applied to it, if all that Canada gets out of it is the labour cost of extracting it from the ground? And then we take that ton, and thousands and millions of tons as we are doing every year, and send it across the border, for what purpose? That it might there be brought to a high degree of manufactured perfection; that is what we are doing and have been doing in greater or less degree in Canada. I know it may be thrown back at me: Oh, but you have had a protective system in Canada to a degree. But as a matter of fact, Mr. Speaker, the protective system in Canada has been very near the margin of a free trade tariff during recent years. There has been a process of attrition going on for many years in connection with the Canadian tariff.

Now, what policy shall be applied? The more highly manufactured the article the greater the man-earning value to the country that produces it; that I think is a sound principle in economics, and one, I think, as to which no one will differ with me. It is told of Michael Angelo that on one occasion he was showing one of his masterpieces to a friend, and he showed how by a touch here and a touch there he had brought out the full perfection of this marvellous work of art. The friend said, "Oh but these things are mere trifles." Michael Angelo replied, "True, they are trifles, but trifles make perfection, and perfection is no trifle." Now that same principle can be applied to industry. It may seem a trifling thing to take off or lower the duty on an industry comparatively small like the one I have under my hand that makes rods, and bolts and nuts; it may seem a trifling thing, Mr. Speaker, by reducing the tariff to put a little industry like that out of business. But I remind you, Sir, and the House, that these trifling industries, so described, lead to the perfection of national industry, and perfection in national development is no trifle. Canada must preserve to its industries the home market and, what is of greater importance, secure entry for its merchants and manufacturers under favourable terms to the markets of other countries. This must be secured through a fiscal policy of consistent and adequate protection. There are those in the House who will at once repudiate that argument, but I am not seeking to argue the point with the mind that is closed. Still I do invite consideration and attention to this suggestion.

Now, Mr. Speaker, the tariff has three peculiar functions to perform, a fact, I think, which very often is overlooked. We hear a great deal about the protective function of the tariff. That is only one, and to my mind, a minor function of the tariff; it has two other functions to perform, and very vital and important functions: One is to preserve the home market, to which I shall make further reference in a moment. There is the further function, which to my mind is the most important of all—the tariff constitutes a bargaining power in the hands of a government. Now let me examine these three functions.

First, the function to preserve the nome market. Mass production is the chief competitor of Canada; it is the chief competitor of any manufacturing industry whether it is in Canada or elsewhere. This great problem of mass production is, we know, one of a wholly technical character. May I in passing suggest this—and I wish not to dwell upon this more than a moment because I know it is unnecessary for me to do so; hon. members are just as close students of these subjects as I am: Does not the great British Empire, spread as it is all over the world, having dependencies in every corner of the world and existing under every climatic condition—does not this great Empire offer itself in a peculiarly advantageous manner for the development of the mass production of commodities indigenous to the countries which form its various parts? I should like to suggest that the policy of Canada should be not only to preserve the home market

for the sake of home industries, but to erect a protective policy for Canadian industries so that those industries might co-operate with the industries of Great Britain, Australia, South Africa, and other parts of the Empire, and enter upon a scheme of mass production enabling them to compete with the great manufacturing countries of Germany and the United States, our chief competitors.

Now, let me give an illustration of what mass production can do. I have in my hand a detailed statement, which I purpose dealing with when we come to consider the schedule, covering logging and saw-mill machinery. It will be recalled, Sir, that in this budget the government have reduced very materially the duty on manufactured articles of this class. I am simply going to make a statement of facts at this time; later I shall argue the point in detail. The present reduction in the duty on logging machinery will affect thirty-seven firms in British Columbia who are now producing this class of machinery at a cost no higher than is the production cost and the sale price in the state of Washington, and taking no advantage of the duty. The duty simply gives to the Canadian firms all of the Canadian market or practically so. These firms employ 1,555 men at good rates of wages, with an annual pay roll of $1,817,489. Now, the question naturally comes up: If these establishments can compete with the Washington firms and do not take advantage of the duty then they do not need the duty. That is the argument. What is the answer? It is a very simple and very pertinent one; it is this. The duty in this case preserves the home market to the Canadian firms, and there are a number of them—I have the names of four or five firms under my hand that manufacture this equipment; they constitute a kind of competition among themselves. The standard logging equipment will cost about $13,000, and it is sold in British Columbia, as I have intimated, at the same rate as the same equipment was sold for in the state of Washington, and in many cases a little less. But take off the tariff, or reduce the tariff to a very low rate—which practically means that it might as well be removed entirely—and what is the result? The duty into the United States for our manufacturing concerns is 40 per cent. If the duty into Canada is removed, or almost all removed, the Washington manufacturer has his own market still intact, and he has a share in the Canadian market, whereas the Canadian manufacturer is unable to get into the Washington territory at all and his home market is divided. Let me give an illustration—a typical case. I will take a firm with a capital of $100,000. It should be allowed as part of its overhead charges 7 per cent interest on its capital, that is $7,000 per annum. The cost of its sales management and staff, oversight of the staff, and so forth, will be $18,000; of insurance, taxes, advertising, and incidentals, $15,000; making the total overhead charges on its operation $40,000. Its output amounts to $500,000, or about that, and it turns out fifty units at $10,000 apiece. Now, if the Washington concern can take half its market, reducing its unit output to twenty-five, what is the result? The overhead charges against that unit in the first instance was $800, but the minute you cut its output in two you simply double the unit cost of the overhead charges and raise it to $1,600. In other words, by the sharing of that market, without any interference other than that, you increase the cost of this article to the British Columbia firm by the sum of $800. That is an illustration of what is done when you deprive a manufacturer of the home market.

4 p.m.

Now let me take the next step and that is the protection. I say the tariff should protect, it should protect industry against a lower standard of living. I notice that one or two hon. gentlemen in this debate rather ridiculed that. Well, I hold in my hand a statement by the Department of Labour, an official statement, showing the Minimum Wage legislation of Canada. Five provinces in Canada have a minimum wage, and I want my hon. friends to the left to mark this, that in every instance, in every minimum wage law in Canada, the agricultural industry is exempted. I am not saying this with any desire to reflect on that industry, I am merely stating a fact, that in Canada, as in other countries, the agricultural industry has always been exempted from this—what shall I say? Arbitrary law. But other industries, particularly the manufacturing industries, are not only saddled with this obligatory law but they are subject to another law, which is a good law, and that is the workmen's compensation act. But, Mr. Speaker, Canada cannot enforce this class of legislation compelling the manufacturers and operators to maintain a certain minimum standard of wages and then ask them to compete in an open market with countries where no such conditions maintain. I pointed this out in figures in regard to the woollen industry: In Canada the minimum wage is double what it is in Great Britain. Now, these are stubborn facts, and so I say

one of the functions of a tariff, and one of the duties of a government, is to see that Canadian industry is protected in regard to the minimum wage.

Also, it is the function of a tariff to protect industry against competition with countries with depreciated currencies. This is, perhaps, one of the most dangerous rivalries that we have to-day in regard to modern competition. I hold in my hand at the moment a prospectus or circular of a certain American company, George Borgfeldt & Co.. of New York. This concern has been appointed, so he declares, by D. & W. Gibbs, of London, as the sole distributors of a long list of German goods for the United States and Canada. These goods are sold to the public as English goods. I have under my hand, for instance, their own circular, and on one of the articles I find a very handsome comb marked the "King Edward" comb. Supposing a very ultra loyal Britisher, like, let us say, the leader of the Progressive party (Mr. Forke), steps into a drug store and picks up a comb—like myself he does not need one very badly—and he sees this comb stamped "King Edward" He does not have to ask, so he would think, whether this was made in Germany or Canada or Great Britain; it seems to speak for itself That is the competition which we are up against, plus the advantage given to the German exporter in regard to the depreciated currency credits of his country Let me give the House briefly two items in regard to this. Last year, 1923, we imported from Germany $4,959,000 worth of goods upon which the total duty paid, including the dumping duty and every other charge of that character, was $1,030,000, or about 20 per cent. How can Canadian industry be expected to compete with German industry on that basis? I am quite aware of this, as some hon. gentlemen will in a moment point out, that some of these goods were admitted free. That is true enough and the duty on the dutiable portion would be higher; but what I am giving to this House is this stubborn fact, that Canadian industry is competing to-day with German industry with a protection of 20 per cent which is not enough, and I do not think such competition is possible once the facilities of Germany for export and import are increased as they undoubtedly will be if this condition is continued.

Mr. EVANS: How much did we sell to Germany?

Mr. STEVENS: I have the figures here for every country in Europe, but I did not wish to go into too much detail. I will give the figures to my hon. friend—my object to-day is not to go into analytical detail, but rather to touch upon certain general points. We sold to Germany more than $14,000,000 worth.

Mr. EVANS: And we bought only $4,500,-000 worth?

Mr. STEVENS: That is true, but that does not alter the fact in the slightest degree. My hon. friend is drawing this red herring across the trail about paying for exports with imports. I will deal with that in a moment. It does not alter the fact that we imported $4,959,000 worth upon which duty amounting to $1,030,000 was paid, which duty as a matter of fact, amounts to about 20 per cent.

Mr. BRISTOL: What is the rate of wages in Germany as compared with the rate in Canada?

Mr. STEVENS: There is no comparison at all. I have not those details at hand, but they do not detract one iota from the point I am making. The policy of the government as regards dumping is of a kaleidoscopic character. Apparently just before the budget was introduced and there was evidenced a necessity for something to be done, the Minister of Customs and Excise (Mr. Bureau), conceived the idea that there should be a suspension of the 5 per cent advantage under the dumping clause, and he promptly suspended it. It was very useful because it rather solaced some of the manufacturers, at least whose goods were being affected. But then there was a caucus, we are told, of my hon friends to my left, at which caucus a great deal of indignation was expressed when it was discovered, after two or three weeks, that this suspension had occurred, and the sensitive faculties of the Prime Minister (Mr. Mackenzie King) received from this corner of the House sensations of alarm. The radio, as it were, conveyed to him the fact that there was some possibility even of a desertion in this corner.

Mr. MACKENZIE KING: I may say to my hon. friend, since he has spoken of a caucus in this connection, that no such subject was mentioned.

Mr. STEVENS: I do not suppose the right hon. gentleman would be at a caucus of the Progressive party.

Mr. MACKENZIE KING: I mean the caucus to which my hon. friend refers. He said that the Liberal party had a caucus, I understand.

Mr. STEVENS: I mean the caucus of the Progressive wing of the Liberal party, not my right hon. friend's caucus. The facts are, however, that the suspension of the 5 per cent allowance in the dumping clause was itself promptly suspended. The next move, we are told, is this: Some ambiguous piece of legislation, the contents of which are not revealed—are carefully concealed, as a matter of fact, until this budget is passed—is going to be brought down. We do not know what the terms of this legislation are, but the Minister of Customs and Excise indicated, in his manner if not in his words, that there would be a restoration of the first suspension, if I might so term it.

Mr. MACKENZIE KING: I do not think his words carried that interpretation.

Mr. STEVENS: I admit his words did not, I said his manner; I am making a guess and I leave it at that. When this legislation comes down, I expect to have the privilege of reminding the Prime Minister that I had guessed fairly correctly.

The third function of the tariff is that of a bargaining power. The tariff gives to the government something with which it can trade with the government of another country. This I conceive to be of great importance. All hon. gentlemen will, I think, admit that it is desirable for a country to gain favourable access to the markets of another country. In these discussions we must not be carried away by glittering and spectacular theories; we are dealing with stubborn facts in the form of governments of foreign countries, enactments of foreign parliaments. There they are before us not only as they are to-day, but as they have been decade after decade. That is what is one of the difficulties of the Mother Country to-day, recognized by it; it cannot make any bargain with the countries of Europe because its own markets are open. The axiom is often given expression to in this House, that exports must be paid for with imports; and this I admit is a perfectly sound argument. But it is within the right of a people to determine, first, what products shall be exchanged and, secondly, upon what terms such exchange shall be made. That is the right not only of this country but of every other country besides; the principle is recognized the world over. I repeat, it is the right of this country, nay, it is its duty, to determine what products shall be exchanged and upon what terms, provided that it protects the interests of its own people by imposing a substantial tariff upon the countries into whose markets we have no favourable entry. In other words, there are goods from countries which hold a very high prohibitive tariff against us; and against the imports of such countries I believe that Canada should maintain a substantial tariff. On the other hand, having given that protection to our people, we owe it to our friends who give us a favourable entry to their markets to accord them a reciprocal advantage. And that is one of the functions of the tariff; you cannot have that bargaining power unless you have a substantial general tariff.

Mr. FORKE: Is my hon. friend willing to give Great Britain the same advantages that Canada enjoys to-day?

Mr. STEVENS: We enjoy no advantages in the British market.

Mr. FORKE: Our goods do not enter the British market on the same terms as their goods come into Canada.

Mr. STEVENS: Great Britain gives us no preference at all; let us get that fact clearly. There was a slight preference which was in force for about a year as a result of the Geddes resolution, but we get no advantage in the British market to-day for it has been repealed by the present government in Great Britain.

Mr. FORKE: How can you say that you get no advantage when you get all that is going?

Mr. STEVENS: I say we get no advantage in the British market.

Mr. FORKE: But you have free trade.

Mr. STEVENS: It is not we who have free trade; they have.

Mr. FORKE: You reap the benefits of free trade in the British markets.

Mr. STEVENS: It is impossible to get through that barrage. However, I must refute that assertion; we have no preference in the British market. On the other hand, we give to Great Britain 50 per cent, and in many cases a great deal more than 50 per cent, of an advantage in our market. The thing is all on one side. I have no objection to giving a preference to Great Britain; indeed, I want to extend that preference to South Africa, to Australia, to New Zealand, to India and to other parts of the Empire. But having said that, let me add that I want a preference in their markets too. I do not say that we should get a preference equal in every detail to that which we give them, but it should be commensurately so at least. And it is the function of the government to do its best to bring that about.

Mr. FORKE: That is the doctrine which Joseph Chamberlain tried to put over thirty years ago.

Mr. STEVENS: Quite right; and my hon. friend interjects that remark at exactly the right point; for my next observation is this: Canada simply must have a tariff if she is to expand and develop. Conditions here are not similar to those that prevailed in England at the time of the repeal of the Corn Laws. The assumption, in the interruption of my hon. friend, is that conditions in Canada are the same as those that obtain in England and that we ought to fail in our advocacy of this policy because Joseph Chamberlain failed in Great Britain. But what are the facts? We have an abundance of raw material whereas England then imported most of hers. In the second place, we have food to export in very large quantities whereas England imported her food. And while our industries are new and undeveloped, the industries of Great Britain at that time were transcendent. Again, our population is sparse and scattered over a vast area; England's is large and compact. These facts cannot be escaped; they constitute an absolute difference in conditions as between Canada and Great Britain. And, Sir, these are the things that persuaded me years ago that the policy for Canada was the so-called National Policy of Sir John A. Macdonald. I am glad my hon. friend the leader of the Progressive party (Mr. Forke) interjected the remark he did, because I have under my hand a quotataion from John Bright which is apropos.

Mr. FORKE: We have heard it before.

Mr. STEVENS: My hon. friend is murmuring away; if he has some observation to make I shall be willing, as I always am, to yield him the floor. On February 2, 1839, speaking at Rochdale, at a great open air mass meeting John Bright moved the following resolution of which I would ask hon. members, and particularly my hon. friend, to take cognizance:

> That the Corn Laws have had the effect of crippling the commerce and the manufactures of the country, have raised up rival manufactories in foreign countries, have been most injurious and oppressive in their operation with the great bulk of our population, and working classes have been grievously injured by this monopoly of the landed proprietors.

The Corn Laws were an agricultural protection; they protected two elements in England, the landed proprietors and their tenants. And you may discern all through the works on Bright and Cobden, all through their speeches and their biographies, from one end to the other, a prevailing dirge of condemnation of these two elements, the proprietors and their tenants. Indeed, one of the things complained of at this very time was the fact that the tenants of the landed proprietors were getting wealthy at the expense of the manufacturers. Trevelyan, the biographer of Bright has this to say, following immediately on the resolution I have quoted, and it is interesting; it elucidates the resolution:

> The tariff that organized the ruin of the British manufacturer did not even pretend to give him protection . . . only a very small part of the tariff was directed to excluding foreign goods of the kinds which they were producing. . . . In 1840 out of more than twenty million pounds of revenue raised by customs, the amount levied on plea of protection of British manufacturers scarcely exceeded a million sterling.

The quarrel, then, was with the unreasonable Corn Laws; and I myself think they were unreasonable. The country had grown, the population had increased, and Great Britain needed foreign corn. But she had persisted in the retention of these laws. And all through the discussion of the introduction of free trade into England, the Manchester Exchange, the Liverpool Exchange, the Birmingham Exchange, John Bright, Cobden and the whole movement from beginning to end defended the manufacturers as against the landed proprietors,—a condition that does not exist in this country at all. Now, I have outlined in comparison the natural conditions of the two countries; and similarly the social and economic conditions in Canada are exactly the reverse of what they were in England at the time of the repeal of the Corn Laws.

I know there are those who say that we should reduce the tariff, do away with these onerous taxes, and levy an income tax. Let me examine that proposition briefly. Cobden and Bright, the great exponents and apostles of free trade, both opposed the income tax and opposed it vigorously, indeed bitterly. Bright opposed it in 1842 urging instead a property tax on all land and buildings. Why did he urge that tax? Because the land and buildings belonged largely to the landed proprietors and not to the manufacturers. And furthermore, he advocated that the manufacturing industries should be exempt from the income tax. That, however, is by the way. Let me now turn to the income tax. If you introduce free trade you will have no industries, you will lower the earnings of the people, and you will reduce the source from which income tax to-day is very largely derived. That is an obvious fact, and my right hon. friend (Mr. Mackenzie King) ought to recognize it. Undoubtedly every move that is made to interfere with the prosperity of our industries, tends to diminish the source of supply of our income tax. On the other

hand, encourage industrial development stimulate manufacturing, give an opportunity for reward for private enterprise, and you will undoubtedly increase your income tax. I do not think there can be any question of this. And I say to my hon. friends to my left, by all means keep an eye upon the income earnings of the industrial magnates of this country. I do not suggest for a moment that they should be excluded from payment of income tax. But at least give them a chance to prosper so they can pay such a tax.

I believe also that the tariff should be generally applicable to all classes of industry. I am absolutely opposed to the principle of this budget in reducing the tariff on certain industries instead of dealing with industries as a whole. Canada is a large, sparsely settled country with industrial interests that perhaps are not exactly similar everywhere; but in the fullest sense of the term the tariff should apply equitably to all classes of industry. Furthermore, the tariff should be stable in its character, not subject to constant change and variation. Nothing is so harassing to a business or a financial man as to be constantly faced with the apprehension that overnight the tariff may be changed and large quantities of goods on hand or on order, seriously affected by such tariff changes. Nowadays a firm dare not issue a catalogue, for it does not know from hour to hour what tariff changes may be made. Tariff stability, voiced so eloquently by the Minister of Finance (Mr. Fielding)—whom we miss so much from this debate—is what we require to-day.

Now, Sir, I turn to a brief consideration of financial stringency. It is obvious, I think, to all of us that the troubles of Canada are not caused exclusively by tariff tampering. Those engaged in agriculture in Canada as in all other countries, are suffering severely, particularly the fruit growers and the wheat growers. The one-crop farmer always suffers more than the general farmer. In certain sections of California the grape grower is and has been suffering very severely. So, too, with the wheat grower of North Dakota and other states. The wheat growing section of Canada is suffering more than other sections, as is also the fruit growing industry of the Okanagan. The prairie farmers, for instance, complain, and I think their complaints are well founded, that they are heavily in debt and time loans are very hard to get and very dear. One difficulty that is constantly referred to by my hon. friends from the prairie provinces is that the farmer there is heavily in debt and finds it very difficult indeed to get money.

Let me draw a brief parallel between the financial stringency in Canada and the international financial problem. We have two viewpoints internationally of this problem: One is exemplified in Great Britain, the other in Germany. Germany refused to acknowledge her war debt, she complained of the burden. and she indulged in repudiation so far as her internal debt was concerned, she also sought a moratorium, and she has been constantly asking to be relieved of her obligations. The longer she persists in that policy so much the more deeply is she becoming involved so far as her indebtedness is concerned. Great Britain took another view; she acknowledged her debts in full, she cheerfully agreed to pay them, and she attacked the problem by imposing very heavy taxation. As a result she inspired confidence in the financial world and funded her great debt in the United States.

Now, what is wanted in Canada in connection with this financial stringency to which I have referred is some sound policy which will enable the farmer of the West particularly to fund his current indebtedness. My hon. friends, I think, will all agree with me that that is one of the most crying needs of the West to-day. It does not profit us nor will it get us anywhere to say to those debtors that they needlessly went into debt in some cases, or that it was through over optimism in other cases; the fact is they are heavily in debt, this indebtedness is drawing large rates of interest, and the farmers cannot fund it. What is required to meet the situation is an opportunity of funding their current debts by term loans at reasonable rates.

Naturally the question arises: Where is this credit to come from? During the past eight years there has been withdrawn from investment in mortgages and stocks and bonds about two billion dollars of Canadian capital, which has been re-invested in Victory bonds. That represents about the Canadian holding of our war debt. Let us pause to consider what the effect of that is. If you withdraw from mortgage investment the capital of insurance and loan companies and private individuals and tie it up in Victory bonds to the amount of two billion dollars, the money is virtually frozen credit. This is a serious thing. If time permitted I would be prepared to discuss this subject at length. Suffice it to say that one of the functions of parliament to-day is to take that great problem into consideration and find out if there

is not some way of liquifying this frozen credit and releasing it for re-investment in the funding of the western debt the encouragement of eastern industry, and so forth. Give to the farmer of the West a chance to fund his accumulated debts, and spread repayment over a long period of years, and you will go a long way towards bridging the gulf which now exists between his cost of production and the low market value of his products.

Now, Mr. Speaker, I turn to another problem, the solution of which is really another aid to relieve depressed agricultural conditions as well as industrial stagnation, and that is transportation. I have already intimated that Canada has unparalleled railway facilities. What we do require very urgently is increased tonnage for our railways and a more equitable adjustment of freight rates. Tonnage may be increased very materially and very rapidly by the encouragement of industrial development in the Dominion. It has been demonstrated that for every ton of freight which goes out of a factory from three to twenty tons enter. In other words, every industry not only gives to the railway the tonnage of its output, but it gives the tonnage of its inward freight amounting to from three to twenty times as much.

I have under my hand an illustration of this, the facts in regard to a factory in western Ontario that has shut down because of the tariff readjustment proposed in the present budget. The company in question has been paying $12,000 a year to the government in income tax, sales tax, and so on, and it has been paying freight to the extent of $80,000 a year. You are shutting that factory down; you are lowering the revenue of the National Railways and of the Canadian Pacific by $80,000; you are depriving the treasury of $12,000 in taxes, and you are destroying 29,000 tons of freight per annum. That is the case of a small factory making bolts and rods. It is one of the "trifles" of which we hear in connection with the tariff question, but, which, taken with innumerable other factories of a similar character similarly affected, has a mighty influence upon the industrial prosperity of the country.

Give the producer of Alberta and Saskatchewan an equitable freight rate to the Pacific comparable with its rates eastward and you will contribute much toward the solution of this problem. I am not going to enter into any argument as to that, but what I do want to point out is this: We have the problem of the tariff and the effect which interference with it may have upon traffic. We have the problem of financial stringency and we have the problem of transportation. It is the duty of this government, it is the duty of this parliament to examine into all these and to see whether something cannot be evolved that will constitute a remedy. I hold, Sir, that the difficulties and perplexities of the people may best be solved by erecting a substantial protective tariff for the industrial life of Canada, thus giving an impetus not only to industry but also to other branches of commercial activity.

I have spoken too long, but will the House listen to me just for a moment while I give three word pictures of incidents that came under my own observation within the last two or three weeks? I was out to my home on the coast a week or two ago, and was returning on the Canadian National. As you proceed over the mountains eastward, the great Yellowhead pass opens up and on either hand you have the towering, snow-capped peaks of the Rockies, a sight, Mr. Speaker, which stirs the innermost aspirations of the soul. As we came out through the pass the sun was setting; gradually it dropped behind the mountain tops farther west. As its rays receded the valleys and the gorges on either hand turned to a deep purple and then assumed an appearance of gloomy density, having the effect of sending a chill through the observer. But as I glanced up at the mountain peaks I saw that they were still lighted by the rays of the setting sun which had been withdrawn from the valley and it struck me that those great peaks were as beacons of light to encourage one to greater and better efforts. Then we came on eastward, and the second day we were passing through that forbidding territory in northern Ontario. That section is always a puzzle to me; it is baffling, and in some respects it is almost, I was going to say, repulsive. There we have the problem of northern Ontario with its lakes and its burnt-over forest lands. As we came along I saw a little cabin in a clearing of about five acres, and at the door stood a woman, cheery of countenance, and around her four little children clinging to her skirts and waving to the train as it went by. Out in the little patch of cleared land was the husband preparing the soil for his spring crop, and the thought came to me that this man with his wife and children was solving the problem of northern Ontario which has so long been baffling the statesmen of this country. Then there was another scene, set in a town of Ontario which I visited a few weeks ago.

I went into the home of a man who for fifty years had worked in the same factory. This type of artisan is the despair of socialist agitators and economic faddists; they do not understand him; they cannot classify him. But there he was, a splendid Canadian citizen, over seventy years of age and still working in the factory where he had toiled for fifty years. I sat and chatted with him and with his wife. He took a great interest in parliament, looking upon it as an institution of great influence and power. I felt that I was in the presence of one who merited my homage, because his life was based upon very simple principles, and in following out those principles he was accomplishing a great deal. His life was that he honoured and revered his God, honoured his king and dealt honestly and faithfully with his fellow men.

These three incidents seem to me, Mr. Speaker, to be a fair picture of Canada. The glories of the Rockies and the beauty of our lakes and our rivers, the fertility of our soil and our great resources—these constitute the body of Canada. But the soul of the country is to be found in the lives and characters of those humble individuals who day by day are solving these problems while we very often sit and waste our time. I felt, Mr. Speaker, and I feel it now, that it ought to be a sufficient reward to any of us to be permitted to share in some measure in the shaping of the destinies of this great country, and in doing so to aim at making it worthy of the sacrifices and of the courage of those pioneers who in the prairies, in the woodlands and in the mountains, are devoting their lives to the development of Canada.

Mr. W. D. EULER (North Waterloo): Mr. Speaker, when the Speech from the Throne was under discussion some weeks ago I took occasion to give my views fairly fully on the principles involved in the budget now before the House. For that reason I propose to make my observations at this time as brief as possible.

If, Sir, there were no such thing as party politics, and if men were therefore able to judge of the annual financial statement and the proposals made by the Minister of Finance strictly on their merits, then I presume no budget ever framed by the most capable Minister of Finance would receive either unqualified approval or disapproval. I do not count myself an extreme partisan, and for that reason perhaps, I find in the present budget much that commends itself to me as well as proposals of which I do not entirely approve.

May I say at the outset that I sincerely congratulate the government on the surplus which they have declared for the year just closed. I know—and I see that the right hon. leader of the opposition (Mr. Meighen) is shaking his head,—that objection has been raised as to the bona fide character of the surplus. The hon. member for St. Lawrence-St. George (Mr. Marler) and the hon. member for West Lambton (Mr. LeSueur), whom I desire to compliment on a most excellent speech, temperately delivered and well reasoned, threw some doubt upon the character of the surplus. While they did not declare themselves explicity on that point or state definitely their reason for believing there was no surplus, yet I did gather from their remarks that in some mysterious way the expenditures made for the railways on capital account had some bearing upon the surplus. Now, Sir, I have made some little study of accounting and I think I have possibly some reason for saying I can form a business judgment with regard to matters of this kind, and I say that if the sum of $50,000,000 expended by the National Railways in the way of betterments has been entirely expended or partially expended in that way, it has no effect upon the surplus at all.

Mr. MEIGHEN: May I ask a question? The hon. member knows I appreciate his intellect. We take a mortgage for the advance, do we not?

Mr. EULER: Yes.

Mr. MEIGHEN: Does the hon. member consider that mortgage an active or a non-active asset?

Mr. EULER: I say that if the expenditures have been made out of these moneys for the purpose of adding to the assets, in the way of equipment and betterments to the railways, a purpose which will enter directly into the earning power of these roads—if they have been made for that purpose they do not affect the surplus in any way.

Mr. MEIGHEN: That is not an answer to the question.

Mr. EULER: Then I misunderstood the question.

Mr. MEIGHEN: The hon. member knows we take a mortgage for the advance, whether the advance is for betterments, or for any capital purpose or any other. Does the hon. member consider that mortgage an active or a non-active asset of Canada?

Mr. EULER: Here is the very point I want to comment upon. It is apparent to me that the leader of the opposition and those who have spoken already are, as I have already said, confusing the issue; I am not trying to attribute to the hon. leader of the opposition any lack of understanding of financial questions or a lack of understanding of any other kind, but I do say that there seems to be a confusion between an asset and a surplus. If a liability is contracted, whether it be for the National Railways or for any other active purpose, if it is contracted for the purpose of establishing or forming a corresponding asset, I say that liability has no connection with the surplus for the year.

Mr. MEIGHEN: But the hon. member will admit there is no interest paid on the mortgage, will he not?

Mr. EULER: I do not know that.

Mr. MEIGHEN: If what the hon. member says is right, there are at least $350,000,000 of similar securities in the treasury for capital investment which should be deducted from the present national debt.

Mr. EULER: The $350,000,000 of capital invested, I should judge, consists not entirely of moneys expended on assets for the National Railways, but expended in many ways to wipe out deficits of former years—which are losses, of course.

Mr. MEIGHEN: No, but capital investments exactly similar to this the hon. member says do not affect the debt. If that is correct, all these non-active assets so invested should now be deducted from the national debt, indeed, should never have been added to it.

Mr. EULER: I am not contending that the debt has not increased, but I am contending that an increase on the debt if you have a corresponding asset, an asset in this case that will directly influence the earning power of the National Railways, cannot be considered as affecting the surplus one way or the other.

Mr. MEIGHEN: Whether it pays interest or not? Does the hon. member say all the other mortgages taken from the National Railways which do not bear interest should now be deducted from the national debt, seeing they were added before?

Mr. EULER: I am not going to be misled into saying something I did not start out to say. What I say is this: If the moneys expended for the purpose of betterments on the Canadian National railways, and those having a direct effect upon their earning power, were spent for that purpose, then the surplus for the year is not affected thereby. I take it a surplus means, in the ordinary acceptation of the term in business, the excess of revenues, in this case taxation and perhaps other sources of revenue, over ordinary expenditures for the year; in other words, it is known as a profit in business; we perhaps do not speak of it in that way in connection with the national finances. That is my contention, that the creation of a debt, if a corresponding asset is thereby established, does not affect the surplus for the year.

Mr. MEIGHEN: There is some use talking with the hon. member, and therefore I embrace the opportunity. If we build a post office it enables the Post Office department the better to earn their revenue, probably to earn more. It is an asset that we possess, does the hon. member argue that the cost of that should not be part of our national debt?

Mr. EULER: The hon. member misunderstood me entirely. I am not arguing about the debt. There is no question that the debt has been increased, but I say the government has a right to make a statement at the end of the year of the moneys which have been expended for services and which will never come back, and set against that the amount received by way of taxes or from other similar sources; and if there is an excess of receipts over expenditures there is a real surplus by the amount of which the debt can be reduced, and if the excess is the other way there is a deficit. That is my understanding of accountancy. I shall be very glad to argue the point with my hon. friend on another occasion.

So, Mr. Speaker, I sincerely congratulate the government on its surplus. Possibly the leader of the opposition will contest that when he speaks next week. I congratulate the government on the improved financial position of the country, and not least on the improved condition of the National railways.

But when I say that, Mr. Speaker, I want also to add that in my view the budget has certain serious defects, certain errors of omission, and of commission as well. I regret, in the first place, that the Acting Minister of Finance (Mr. Robb) has not seen fit to abolish those taxes that are sometimes, and so appropriately, called the nuisance taxes. From the outset of their imposition under the former government I have opposed the stamp taxes upon commercial paper, and more latterly upon receipts as well. I have never been able to see that a tax so irritating in its nature, and one that is not based upon any logical principle, should have been imposed upon the people of Canada. Further, when the

taxes for the ensuing year were being reduced by the removal of the sales tax in certain instances, I should have been glad if the government had at the same time considered the reduction of postage from three to two cents, believing it would not only be in the national interest, but that it would not have reduced the revenues in any degree whatever. I regret also we have had no pronouncement, except perhaps with regard to one small item, with regard to the income tax. I should like to see some modification and some simplification of the income tax. I was more disappointed with regard to one thing perhaps than with regard to anything else, and that is that we have had no announcement from the government with regard to the creation of what is sometimes known as a tariff commission, and without the knowledge that only such a commission can give we have had some haphazard reductions in the tariff.

I regret further that we have had no legislation proposed for the relief of Canadian industry because of the depreciated currency of foreign countries with which we are in competition. It may be the government foresees the day at no distant date when these foreign countries, England and possibly continental nations, as a result of the Dawes' report, may go upon the gold standard basis and in that way the matter may correct itself; but we still have the condition under which industry in Canada is labouring because of the lower wage situation in countries which are now in strong competition with Canada. The other evening the hon. member for Brome (Mr. McMaster) made some comment with regard to the Canadian manufacturer of boots and shoes. That hon. gentleman is very fair in debate, and I am quite sure he did not intend to be unfair in this case. During my remarks in the debate on the motion for the adoption of the Address in reply to the Speech from the Throne, I had made some statement with regard to the difficulties experienced by the Canadian shoe manufacturer on account of the importation of British boots and shoes. The tariff on British boots and shoes by reason of the preferential arrangement is not 30 per cent but is now $16\frac{2}{3}$ per cent. That, coupled with the depreciated rate of exchange, and the lower labour costs in England, constitute the strongest competition that the Canadian shoe manufacturer has to contend with. But my hon. friend referred almost entirely to competition in that line with the United States manufacturer and stated—I do not desire to quote him incorrectly—that the tariff on American boots and shoes ought to be sufficient, and further hinted, or stated very broadly, that he thought the difficulties of the Canadian shoe manufacturer were largely the result of inefficiency in his factories, and also arose from the fact that those factories had to carry a very large amount of watered stock.

Mr. GARLAND (Bow River): Hear, hear.

Mr. EULER: I desire to contradict that statement. There may be a few shoe factories in Canada where the matter of watered stock probably led to their going into liquidation. But in the riding from which I come there are ten or twelve shoe industries, and I want to say for the benefit of the hon. member for Bow River (Mr. Garland) that in those concerns there is no watered stock, nor are they inefficiently conducted. It might interest the House to know that some four years ago the shoe industries of Canada exported to twenty-eight foreign countries in the year goods valued at approximately $5,500,000. Since that time tariffs have been raised in these foreign countries, exchange has depreciated, labour costs have gone down, so that last year—or rather the year ending in February last—the exports of boots and shoes from Canada to foreign countries had sunk to less than $300,000.

With regard to the preferential tariff I should like to say, as I said on a previous occasion, that we ought to give consideration to Canada first; and that under present conditions of exchange and cheap labour the preference ought to be withdrawn or materially reduced. The present situation, as the hon. member for Vancouver Centre (Mr. Stevens) said, is a one-sided arrangement. If we acted entirely on a business basis with regard to the tariff no one could say that our friends in Britain could find any fault with that attitude because they are pursuing that course themselves. I think I mentioned on a previous occasion that that was very well proven by their attitude with regard to the embargo on Canadian cattle which was a protective measure purely and simply, although another reason was given. Then we had later a rejection by the British people of the proposed Imperial preference arrangement that was enunciated by right hon. Mr. Baldwin at the last Imperial conference in London when the Prime Minister of Canada was present. And within less than two weeks we have had another instance of the attitude of the British government, in that they have removed the preference that Canada enjoyed in the British market as compared with the United States. So it seems to me the government might very fairly and very logically consider some sort of modification of the preference.

I do not intend to speak at any great length and I wish to devote myself more particularly, from this point on, to the subject that seems to be of paramount interest in connection with the budget, and that is the matter of the tariff changes. Let me say that in the remarks I have to make I have no desire to attribute to any member, or to the government, any improper motive, political or otherwise, with regard to the changes that have been made: the responsibility is theirs, I have no doubt they are acting in what they consider the best interests of Canada, but I must claim the same responsibility and the same privilege. I would also say that I have never been able to see that the determining principle as to the party with which a man should ally himself depends upon his views on the tariff. I know that is the impression of some people. I know that is the impression of some hon. gentlemen on this side; I suppose it is also the impression of some hon. members opposite. But the tariff is not the only thing with which parliament and governments have to deal. It is perhaps not even the most important thing. At any rate if my views on the tariff disentitle me to call myself a Liberal, then my life-
5 p.m. long conception of Liberalism has been incorrect.

Now, let me treat as fairly as I can the issues arising out of the budget with regard to the tariff. There are those, some of them in this House, who will not swerve from the theory of free trade but insist on carrying that principle into practice no matter what the conditions may be. They believe it is wrong to erect any tariff barrier for the purpose of giving the Canadian workman an advantage or a preference in his own country over his foreign competitor—they believe it is morally wrong and unjust to the consumer. I think that is, perhaps, a fair description of the attitude of some members of this House. Then there are some who concede that while free trade is good in theory we should have a tariff for revenue. I believe, Mr. Speaker, there is a good deal of wrong thinking, and perhaps honest self-deception, with regard to the theory of a tariff for revenue. My contention always has been, and I still believe, that a tariff for revenue is a protective tariff. It may not be a tariff that adequately protects, as my hon. friends "angularly opposite" would say, but to the exact degree to which there is a tariff, just to that extent will the industries of Canada, or of any country, be protected. All tariffs are protective more or less.

Mr. JOHNSTON: Would my hon. friend admit that very high tariffs cease to be revenue producing?

[Mr. Euler.]

Mr. EULER: If tariffs are high they undoubtedly are protective. If the tariff is low the element of protection exists although in very much smaller degree.

Mr. JOHNSTON: If the tariff is too high we get no revenue.

Mr. EULER: All those who are absolutely in theory and in practice, free traders, will say that they favour a tariff for revenue only; but if they will give the subject a moment's honest thought I think they will also say that to collect a revenue by a tariff is about as wasteful a system as can be devised and costs the country a great deal more than is commensurate with the amount that goes into the national treasury. Then there are others, like myself, who believe that it is in the national interest that we should have diversified industries. I am willing to place agriculture first and to give a prominent place to all the industries that deal with the development of our natural resources; but I will also say that manufacturing must take a very prominent part in the essential industries of Canada if we want to build up a nation with an all-round development such as we ought to have. Such men believe that a tariff may be used to maintain and to encourage industry, even though sometimes it may be, apparently, at some slight sacrifice. They believe that if Canadian workmen are to be paid good wages, that will enable them to live decently and comfortably, in many lines of industry they cannot compete on an even basis with the underpaid workmen of foreign countries.

Mr. FORKE: I should like the hon. member to make that clear before he goes any further. Would he mind stating plainly if he would wish the tariff to be so high that it would produce no revenue,—actually prohibit the importation of goods,—or would he define what one might call an adequate tariff that produces so much revenue and is also a protective tariff?

Mr. EULER: If the hon. member will bear with me for a moment, he will have his question answered, but I may say now that I am emphatically not in favour of a prohibitive tariff.

M. FORKE: I should be glad to know where the hon. member would begin and where he would end.

Mr. EULER: Does my hon. friend desire me to go over the whole list of articles manufactured in this and every other country and say that the duty should be 15 per cent here, 20 per cent there and 30 per cent elsewhere? I am not able to do that, and I am going t

give the remedy for the sort of thing which, I think, we are suffering from if hon. members will bear with me for a moment.

There are those of us who believe that we cannot compete on an even basis with those European countries which have lower costs of labour, whose people have a lower standard of living, whose currency is depreciated. More than that, I will include the United States with its mass production which has already been spoken of in this House to-day and its overproduction and the resulting attempts at dumping in Canada which are sometimes made. There are men—and I am one of them—who believe in a moderate tariff that will maintain Canadian industry. I believe in that as a wise policy. If that makes me a protectionist then I shall have to accept the designation. But I will also say that I do not particularly like the word "protection". In its original meaning it is beneficent and benevolent in its significance, but it has been so abused that it has acquired something of a sinister meaning. It too often connotes such a high tariff as robs the consumer, and it implies too often such a degree of protection, if you like, that it covers inefficiency in manufacture. That has been attributed to it. I am not saying that that is true,—it is probably true in some instances—but for that reason I say that I do not particularly like the word "protection." I would just as soon speak of a tariff that maintains industry, not a prohibitive tariff.

Mr. FORKE: An adequate tariff.

Mr. EULER: I do not usually permit words to be put into my mouth, but I am quite willing to accept the correction or the suggestion of the leader of the Progressive party. I do not favour a prohibitive tariff, but I believe in a tariff that will enable legitimate industries to live if they are efficiently conducted. I believe in that sort of a tariff also for another reason, namely, that it will give employment to our people.

Mr. FANSHER: Will the hon. member define "legitimate industry"?

Mr. EULER: Probably the hon. member has just as easy access to a dictionary as I have and I will leave him to find out for himself. I will draw attention, as so often has been done, to the fact that the rest of the world has erected practically prohibitive tariff walls against Canada, and unless and until that situation changes, fairplay and some degree of national self-respect as well as the desire of self-preservation dictate that we should have such a tariff as will at least give some portion of the Canadian market to our own people. Despite text-book theories and, perhaps, I might even say text-book theorists who go back hundreds of years for their authority, that seems to me to be absolutely a reasonable position for a Canadian to take. I believe that the Laurier-Fielding tariff in its day was a reasonable tariff. Call it what you like; call it "tariff for revenue," if you wish; it was protective in its effects and under it this country was more prosperous than it had ever been before or has ever been since. I might make a reference to the election of 1921, in connection with the tariff. The tariff was not an issue in that election in Ontario, and I think I may say in Quebec, unless it was in the constituency of the hon. member for Brome (Mr. McMaster) who, I am sorry, is not in his seat to-day.

Mr. SPENCER: What was the issue?

Mr. EULER: The issue was the Union government. There were two reasons why the tariff was not an issue in Ontario and Quebec. I have given one. The chief reason was that the people of this country, rightly or wrongly, and I think rightly, had decided that they were going to dispense with the government that was then in power. That was, I believe, the compelling reason throughout Canada. The second reason why the tariff was not an issue in Ontario, at least, was this, that the people of that province had confidence that the hon. gentleman, who is now Minister of Finance (Mr. Fielding) and who had been Minister of Finance under Sir Wilfrid Laurier during a period of prosperity covering fifteen years, would again become Minister of Finance, and they had no particular fear that industry would be interfered with under his administration any more than it had been under his previous administration. But I did discuss the tariff in the constituency which I have the honour to represent, and I declared myself in favour of a tariff such as I have described. The hon. member for South Winnipeg (Mr. Hudson) who is my deskmate, the other day gave some figures with regard to the election, and he stated that the Conservative party polled about a million votes and that the combined Liberal and Progressive parties polled something like two million votes. I think that is approximately correct. From that he inferred that there was a tremendous majority in favour of tariff reduction. I must take issue with my hon. friend on that. The vote of 1921, at least as regards Ontario and Quebec, was not a vote on the tariff at all, and I am quite sure that there were literally

thousands and tens of thousands of voters who believed in the kind of a tariff that I believe in, who voted for either Liberal or Progressive candidates. In fact, I am almost inclined to say that if it had not been for the fact that the people of Ontario and Quebec had confidence that no industry would be injured by a possible Liberal government, the government which is now in office would not be now occupying the seats of office.

Mr. SPENCER: What about the platform of 1919?

Mr. EULER: I will come to that in a moment.

Mr. LAPOINTE: There will be no injury.

Mr. EULER: I hope the hon. gentleman is correct. Some reference has been made to the statement of the Minister of Finance last year that we should have tariff stability in Canada. I agreed with that at the time. I also agree with what the Prime Minister said some days ago, that that did not imply tariff stagnation. Assuredly there is room for improvement in the tariff. It is now perhaps ten years or more since the tariff was revised, and I think it is high time that we should have an intelligent revision of the tariff; but I say this, that when the Minister of Finance made that statement regarding stability, he did not contemplate that we should have frequent radical changes that would keep the business world disturbed for any length of time.

My hope has been that the government through the Acting Minister of Finance (Mr. Robb) in its budget proposals would make an announcement that we should have a tariff board or commission in this country. Such a tariff board ought to be permanent. I see my hon. friend opposite smiling; but I do not think I am stealing the thunder of my colleague the hon. member for South Waterloo (Mr. Elliot), because it will be remembered that I made this suggestion in my address on the Speech from the Throne. A tariff board of this kind should consist, if possible, of representatives of all classes of the people, including workingmen, farmers and manufacturers, if you like; but the dominant factor in the selection of its members should in my opinion be their entire fitness for the work they would undertake. They should be men of integrity who would have a strong sense of responsibility and with a real desire to render public service. And I would give to that board real power; I do not believe in a tariff board, or even a committee of the cabinet, who would go about the country trying to get information regarding industry and succeed very often only in getting the kind of information they desired to obtain. I say, I would give that board power to make the most exhaustive investigations into the conditions and circumstances of industry.

Sir HENRY DRAYTON: Was my hon. friend satisfied with the tariff board for the appointment of which provision was made by this House in 1912 and rejected by the Senate?

Mr. EULER: I am not very familiar with the work of that board, but I venture to say that it was not the kind of body that could do work of the description I have suggested.

Sir HENRY DRAYTON: It was exactly the same, an advisory board.

Mr. EULER: I doubt very much whether the board of which my hon. friend speaks would have done what I have in mind. I would give to the board power to go into industry, find out costs and profits, ascertain whether there was watered stock upon which dividends were being paid—

Sir HENRY DRAYTON: That was all provided for.

Mr. COOTE: And would they squeeze the water out?

Mr. EULER: Well, we should have to judge that by the results. The board would find out also whether there were any combines, and generally investigate into matters of that kind. If anything of the kind were discovered then I would use the tariff as a weapon to make the industry concerned give to the consumers of the country a square deal.

Mr. MEIGHEN: Perhaps it is well at this stage to have the fact recorded that the bill to which my hon. friend (Sir Henry Drayton) has referred, and which was defeated by the party of the hon. gentleman who is now speaking, contained all these provisions that he has enumerated.

Mr. EULER: Does the right hon. gentleman say that the bill was defeated in the Senate?

Mr. MEIGHEN: Yes. It was bitterly resisted for weeks in this House by the Liberal party and finally defeated by the Liberal majority in the Senate.

Mr. EULER: I have no knowledge of that, but I am willing to accept the state-

ment of the leader of the opposition. In any event, I have only this to say, that I do not accept responsibility for what anybody did in 1912, and much less any responsibility for what the Senate of Canada does.

Mr. CALDWELL: Does my hon. friend think that the tariff commission that toured this country in 1920 had the powers he speaks of?

Mr. EULER: If they had such powers they did not exercise them, I am sure of that. In fact, that commission never reported at all, and so far as that is concerned the ex-Minister of Finance (Sir Henry Drayton) will be able to inform the House for he was the head of it. In my opinion no Minister of Finance, no committee of the cabinet, can physically obtain the information that I have spoken of, because in too many cases they are dependent almost entirely upon the officials of their departments. And I may say, with all respect to the officials of the departments, whom I have no wish to criticise generally, that I should like to be delivered in many instances from the advice that is given by some of them; I have somewhat of a dread of the official mind. A board such as I have suggested might make tariff reductions possible; I believe that is quite within the bounds of probability. I would not hesitate either, if it were shown to be advisable, to increase the tariff if I considered it in the interests of the country. I believe there are some industries here to-day that can stand a tariff reduction, but I would not make these reductions without the accurate knowledge which only such a tariff board could give. To some extent, the tariff might thus be taken out of politics, though the board would necessarily be an advisory one, and the government would always retain full responsibility.

Unfortunately, selfishness is still the most compelling motive in human life. I made that statement once before and at that time, as also on this occasion, the leader of the Progressive party (Mr. Forke) shook his head. I hope he is right, but I am afraid he is not. There are selfish men in all walks of life, and some manufacturers are no exception. Indeed, there are some who desire to have a tariff as high as Haman's gallows, to use a hackneyed expression. But such men are their own worst enemies because invariably the extremists invite extreme action in the other direction. As I said before however I believe there could be reductions in some instances without injury to industry itself and with a good deal of benefit to the consumer.

I have given a good deal of careful thought to this budget and I appreciate many of its provisions. I believe the people of Canada approve of the reductions made in the cost of living by way of the removal or the partial removal of the sales tax and I think my hon. friends directly opposite me will believe me when I say that I should like to see anything done that could possibly and legitimately be done to assist the farming industry. I think it was a year ago that we gave them the benefit of at least a portion of the Crowsnest agreement, and I understand that all the commodities under that agreement are to be placed on the list this year. I hope that is the case. If anything can be done to provide lower freight rates I hope it may be possible. So far as the farmers of Ontario are concerned, and particularly in my own constituency, I am quite assured of this, that their interests are the interests of the people of the cities and of the industrial towns. That at any rate is true of my own constituency.

We hear a good deal about the home market, and the westerner does not attach very much importance to that market. Perhaps he is right inasmuch as his product is very largely exported. The same may be true in the Maritime provinces also. But the home market in Ontario for the farmer is a real thing and a thing of great value. The westerners' difficulties after all, I believe it will be conceded, have no relation to the tariff; they go much deeper. The high cost of production, high freight rates, the high tariff of the country to the south, are some of the factors that enter into the problem of the western farmer. And then there is the lack of markets in which before the war the farmers of the West sold their products. If some sort of assistance could be evolved for my Progressive friends in their farming operations I should like to examine them and afford all the assistance possible; and indeed I think I could even be prevailed upon to vote for a tariff upon oleomargarine.

We have heard a good deal about the Massey-Harris Company in connection with the reduction of the tariff on implements. Let me remind the House that there are dozens of smaller concerns in Ontario and Quebec that also manufacture agricultural implements. Now, I do not believe that under the amended budget proposals the manufacturers of implements are going to be seriously injured; I think not. In fact the hon. member for West Toronto (Mr. Hocken) yesterday stated that the implement manufacturers would make more

money under this budget than they did before. But let me say a word for the smaller concerns manufacturing agricultural implements. In my riding we have a concern manufacturing threshers. Last year there was imported threshing machinery to the value of $3,366,000, and there was manufactured and sold in this country only $1,850,000 worth. So that the importations were nearly twice as great as the home-manufactured product. I do not think anyone can reasonably argue that threshing machinery enjoys a prohibitive tariff.

I am sorry the Acting Minister of Finance is not in his seat, for I wish to point out an anomaly in connection with the removal of the sales tax on threshing machinery, to show the necessity of considering very carefully any proposed changes. A threshing outfit consists of the thresher proper, the traction engine, the wind stacker, the feeder and the drive belt. On the thresher proper the sales tax has been entirely removed; but the farmer has to pay 5 per cent on the other items that go to make up the unit. It seems to me that such an inconsistency might very well be removed.

Now, Mr. Speaker, to sum up. I would say that I cannot approve of the more or less haphazard changes that have been made in the tariff. I agree with the member for Vancouver Centre (Mr. Stevens) and the member for Brantford (Mr. Raymond) when they say that they do not believe in tariff discrimination. The agricultural implement industry is not, I believe, injured by the tariff proposals contained in the budget. But we are told that with the free entry of its raw materials some other of our industries will be injured. The hon. member for West Hamilton (Mr. Stewart) read a good many letters pointing that way. I hope he is wrong. But no doubt it is true that some of our manufacturing industries will be injured by the proposals contained in the budget. I do not believe that for any purpose whatever it is just to discriminate against certain industries, especially those which already have lower tariff protection than almost any others that might be named.

My chief objections to the budget are these: changes are being made without an accurate knowledge of what they may involve. We are discriminating against certain industries. I do not approve of the condition of uncertainty which the country is in for the moment. I can see no very definite principle underlying the tariff reductions, unless perhaps this is the first step in the implementing of the 1919 Liberal platform. If that is the case, I say to the government: I believe the people should know whether the tariff platform of 1919 is to be gone on with in the sessions to come. Some hon. gentlemen on the other side a little while ago made reference to the platform of 1919. Let me say to possible critics of my attitude on the tariff when considered in conjunction with the tariff platform of 1919, that I did not support that platform, I never endorsed it, and I have on two occasions repudiated it in this House. I do so again now. Nor did the right hon. Minister of Finance (Mr. Fielding) approve of that platform, as he stated on the floor of this House last session. May I give a piece of information which will probably be of interest to hon. members; in fact it is perhaps not even known to some members on this side of the House. On the resolutions committee which framed the tariff planks in the platform of 1919 there was not one Liberal member of parliament from the great industrial province of Ontario. And yet Liberal members from Ontario, whose interests were so vitally affected, are expected to defend a platform in the making of which they had no part!

I would say again, as I have already said, that I feel no particular alarm as to the immediate disastrous effects of the budget proposals. I believe there may be some injury done, but I cannot agree with those who say that industry in going to be annihilated, that the country industrially is going to come to a standstill. I do not believe it. I think some of these statements are propaganda, uttered for the sake perphaps of making political capital and therefore to be discounted. I do not believe the injury will be so great as some have prophesied.

Mr. MEIGHEN: Will the hon. gentleman tell us who said that industry would be annihilated?

Mr. EULER: Some newspapers.

Mr. MEIGHEN: That may be so.

Mr. EULER: I am not referring particularly to members on the other side of the House But I do not credit the predictions of industrial ruin that have been circulated so freely throughout Canada since the introduction of the budget.

Mr. MEIGHEN: Our objections have been too moderate.

Mr. GRAHAM: You will never be charged with that.

Mr. EULER: Possibly so. But, Mr. Speaker, whatever the result may be, I have given very careful consideration as to whether the tariff proposals violate the principles in

which I believe. Frankly, I believe they do, and especially when they are considered in conjunction with some of the pronouncements that have been made in this debate by members of the government. If the Acting Minister of Finance had given any sort of assurance that no further changes would be made without the most careful investigation by, say, a tariff board, and, following that, the most careful consideration by the government, I might not be forced to that conclusion. But under the circumstances I cannot regard this budget as an isolated or final act. My friends angularly opposite do not receive it that way; that, of course, is to be expected. My friends of the Progressive party do not receive it that way; they are very grateful for what they have received—

Mr. HOEY: For small mercies.

Mr. EULER:—and I think they have a very lively appreciation of favours to come.

Mr. CALDWELL: Not favours; justice.

Mr. EULER: Indeed, the hon. member for Strathona (Mr. Warner) spoke of the promise that has been given to make further tariff reductions in future sessions; and some members on this side have spoken in a similar vein. But, Sir, the most disquieting statement of all to me, is the statement of a responsible member of the government in the person of the Minister of the Interior (Mr. Stewart) when he said that he hoped this budget would sound the death knell of protection. If his words voice the policy of the government—and I hope the right hon. Prime Minister will tell us whether they do or not—I am afraid they may also sound the death knell of a good many Canadian industries.

Some hon. MEMBERS: No.

Mr. EULER: I believe that.

Mr. MACKENZIE KING: I might answer my hon. friend at once. He has said that he regards a tariff for revenue as giving protection. The policy of the Liberal party has always been that of a tariff for revenue, and will continue to be so.

Mr. MEIGHEN: That is not the death knell of protection.

Mr. STEWART (Argenteuil): A tariff for revenue is certainly not a protective tariff.

Mr. EULER: I would respectfully suggest—

Mr. MEIGHEN: I leave it to the Prime Minister and the Minister of the Interior to reconcile themselves.

Mr. SUTHERLAND: And the Minister of Agriculture.

Mr. EULER: Have I the floor, Mr. Speaker? I say, Sir, that that is a policy which I cannot support. If the words of the Minister of the Interior reflect the considered policy of the government, it is a policy against which I must protest in the interests of my constituents and because of the beliefs which I hold. I cannot make that protest either consistently or effectively by speaking one way and voting the other, and for that reason I propose to vote against the budget.

Mr. B. W. FANSHER (East Lambton): Mr. Speaker, it becomes my duty, after listening to a well-reasoned and temperate address by the hon. member for North Waterloo (Mr. Euler) to express views a good deal different from those which he holds. But I assure, you, Sir, and hon. members of the House that my convictions are just as strongly held as those of the hon. member for North Waterloo.

A good deal of the discussion on the budget has consisted of declarations of hon. members either against or in favour of the protective principle. With regard to that matter I do not intend to speak at any great length; it is not my purpose to enter into an extended discussion of the theories of free trade or of protection. Having lived a good many years not far from the international boundary I have some practical knowledge of what protection has done for this country and I have had some experience in connection with the prices of goods on the respective sides of the line. However, I believe the principle of protection to be unsound, not only economically, but also from the point of view of its effect upon the morale of the people of this country. It is evident that if we have a protective system somebody is protected and somebody else must do the protecting. If somebody benefits, somebody else has got to provide that benefit. If it is done by monetary means, as is done in the case of the tariff, something must be taken from those who do the benefiting and the reward goes to those who benefit. The effect upon those who receive the protection was emphasized only yesterday by the hon. member for West Toronto (Mr. Hocken) who said:

> The threat of the "death knell of protection" has put all our manufacturers, and many of our business men who are not manufacturers, in such a position that they are afraid to make any investments, afraid to make any expansion.

"Afraid to make investments" and afraid of expansion: that is the natural consequence of protection in this or in any other country.

A strong, virile manhood or womanhood is never developed by depending on someone else, neither is a strong, virile industry developed which depends on some other industry for assistance or for part of its revenue. When any interference which that assistance is contemplated, those who are assisted become apprehensive; fear enters their souls, as was acknowledged in the speech of the hon. member for West Toronto yesterday. While I agree with the premises taken by that hon. gentleman, with his appeal to patriotism and his desire to build up Canada, I do not agree that only by means of a protective tariff can we hope to build up a strong, well-rounded Dominion. If I quote further from his speech I think I could show that the very policy which has been in vogue in this country for the last forty years has not made a well-rounded Dominion, but has advanced prosperity and population in perhaps half a dozen or more centres throughout the country. Asked the question yesterday as to what protection had done for this country, the hon. member replied that twenty years ago Montreal and Toronto had only a small population and that to-day they have a large population. That is a fact; Toronto has doubled its population every fifteen years since its incorporation, but if we turn to rural Ontario, which is supposed to have the benefit of the home market which protectionists say is the result of the protective system, in the last twenty years rural Ontario has lost over 20,000 of its population. Only 41 townships in rural Ontario have increased in population in the last twenty years, and in those cases it was on account of the overflow from large towns or cities. Three hundred and seventy-five townships lost in population. So that if we examine the protective system we find that it does not make for a well-rounded Dominion but rather for some well-rounded centres of population throughout the country. A country cannot prosper if one industry advances much faster than others. I believe that the great basic industry of Canada, if it were left free from the necessity of helping every other industry under the sun, would again lay the foundations of and build up this country as it did in the days of the pioneers.

Coming more directly to the budget, I believe that it is a very skilful one. It is a tax reduction budget, and because it is a tax reduction budget I am pleased with it. Everybody is pleased with a budget that reduces taxation rather than increases it, but there are various methods of reducing taxation, and from the speeches of many hon. members in this House one would be led to believe that a good deal, if not most, of the reduction made in this budget was due to reductions in the customs tariff. However, a close examination of it will not give that impression.

In the first place we have a reduction from six to five per cent in the sales tax. Now last year there was over $101,000,000 collected from the sales tax. A reduction from six to five per cent means a reduction of about $17,000,000 in sales tax alone. Besides that, we have other reductions. We have the removal of the sales tax on agricultural implements and implements connected with the farming industry, binder twine included; second, we have exemptions of the sales tax from all articles and materials to be used in the manufacture of agricultural implements; the removal of the sales tax from sulphate spraying materials, poultry feed, cream separators, and so forth. I could go on and mention about fifteen or sixteen different classes of articles from which the sales tax is either removed or on which it is materially reduced. The closest estimate that I can make of the reduction in revenue by these special reductions and exemptions in the sales tax over and above the reduction from six to five per cent would be about $5,000,000. That brings the reduction in sales tax up to about $22,000,000.

Now we notice that the total loss in revenue anticipated by a reduction in sales tax and in the tariff proposals, as given in the budget speech, is about $24,000,000, which leaves practically only $2,000,000 of a reduction in the customs tariff. With that part of the budget I am not entirely pleased. If the reduction had been in inverse ratio, or somewhere thereabouts, it would have suited me a great deal better, and I believe also the majority of the members of this House and the rank and file throughout the country. The Liberal platform of 1919 does not mention anything about a reduction in the sales tax. It speaks of a substantial reduction of the burdens of customs taxation. It is true there was a sales tax, but I do not believe there was a sales tax to amount to anything at that time. There was a sales tax, however, when this government came into power and this government increased it in the two former budgets; it has now taken away a portion of the sales tax in this budget, so we might say: The King government has given and the King government has taken away. But I do not know that we can altogether add: Blessed be the name of the King government.

The two great sources of revenue are the customs tariff and the sales tax. The customs tariff provided a revenue of about $135,000,000 last year and the sales tax $101,000,000. We have a reduction, we are told, this year of $24,000,000, which is nearly all accounted for by a reduction in the sales tax. That $24,000,000 reduction represents a relief to the taxpayer, but there is very little relief in excess of that amount, because the sales taxes are pretty direct taxes. On the other hand, if that reduction of $24,000,000 in revenue came entirely through the customs tariff it would give a relief to the taxpayer of this country of an amount in the neighbourhood of $100,000,000, because, as everyone realizes, while about $1 goes into the treasury through the system of customs tariff collection, about $3 or $4 goes into the pockets of those who are protected. I just want to quote a few figures to illustrate that statement. In the year 1921 the amount of revenue collected from the automobile industry in this country and the amount of protection afforded to that industry was in the ratio of 1 to 7; while $1 went into the treasury, $7 was afforded in protection to the manufacturers of automobiles in this country. I do not say that the whole of that $7 was taken advantage of by the manufacturers, but according to the trade returns for that year that ratio of protection was afforded. In the agricultural implement industry the ratio was $1 of revenue to $4.50 of protection. Here are some rather startling figures in connection with the boot and shoe industry. The ratio of revenue to protection afforded in the boot and shoe industry in this country in the year 1921, according to the trade returns for that year, was $1 of revenue to $28 of protection. In the rubber goods industry, including rubber footwear, the ratio was $1 to $13. Those are the figures you get when you take the percentages and apply them to the actual amount imported and the actual amount made and sold in Canada, and if that ratio is not observed and made use of by the manufacturing industries there is surely no ground for their claim that protection should not be lower.

I wish to speak further about the automobile industry of Canada. In other budget debates a great deal has been said concerning that industry, but in the present debate there has been little or no comment. Even the budget makes no mention of the automobile industry. Now, in the part of Ontario which I have the honour to represent, it is a well known fact that the automobile industry is able to outbid every other industry in the labour market, and the belief is current—rightly or wrongly, but I think rightly—that in a large measure its ability to do that is assisted and strengthened by the measure of protection which it enjoys under the tariff.

Mr. HEALEY: Is my hon. friend against paying high wages?

Mr. FANSHER: I am not against any industry paying high wages, but I stand for equality in rewards for labour as between one industry and another. If a producer in one industry has to work two days to purchase a commodity which the producer in another industry turns out in one day that is altogether unfair. In the case we are considering other manufacturers are placed in a position where they cannot compete in the labour market with manufacturers of automobiles.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

THE T. EATON GENERAL INSURANCE COMPANY

The House in committee on Bill No. 9 respecting the T. Eaton General Insurance Company—Mr. Sheard,—Mr. Gordon in the chair.

Mr. GRAHAM: Does anybody here know anything about this bill?

The CHAIRMAN: This committee considered this bill and progress was reported on it.

Bill reported, read the third time and passed.

COMMERCIAL TRAVELLERS' MUTUAL INSURANCE SOCIETY

The House in committee on Bill No. 23, respecting the Commercial Travellers' Mutual Insurance Society—Mr. Ryckman,—Mr. Gordon in the chair.

On section 1—Incorporation.

Mr. CALDWELL: The last time this bill was under consideration, we asked that it stand over for some more information.

The CHAIRMAN: It did stand over and it has come up in the regular course.

Mr. CALDWELL: I understand that, but I should like to have some information.

Section agreed to.

Bill reported, read the third time and passed.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY

The House in committee on Bill No. 17, respecting the Montreal, Ottawa and Georgian Bay Canal Company—Mr. Clark—Mr. Gordon in the chair.

On section 4—Rights of government to take over works preserved.

Mr. GRAHAM: I was in the committee when certain immaterial amendments were made to the bill, and I rise now simply to say on behalf of the government that although no objection is being taken to the extension of time in this case, it must be distinctly understood that this bill will not interfere in any way with any encouragement the government may give, or any work it may intend to do, in connection with the development of power on the Ottawa river. I say this because of course the Georgian Bay canal project includes the Ottawa river, and the powers embraced in this bill were given years ago when the government was making extended surveys and investigations in relation to the Georgian bay undertaking. This company's charter has been extended from year to year and I have no desire to prevent the retention of the powers they have; but there must be a distinct understanding that the extension of time granted by this bill does not preclude the government, if it so desires, from taking any steps which it may see fit towards the development of powers on the Ottawa river.

Mr. WHITE: Will the statement of the minister have any effect if the purport of it is not incorporated in the bill?

Mr. GRAHAM: I have written to Sir Robert Perks expressing the same views I have anncunced to-night, so that the company know perfectly well that the extension of this charter does not confer any powers which they had not before, and will give them no exclusive rights on the Ottawa river.

Mr. WHITE: Is the minister over-riding the bill?

Mr. GRAHAM: It is not a question of over-riding the bill. This company has been in existence for years and a lease was given in 1921 for the development of power on the Ottawa river. But because a company is given the right to do certain things it does not follow that no one else shall have rights in a similar degree. The question of water power in Canada is a very important one at the present time. It will be seen by the press, either of yesterday or to-day, that the provincial government of Ontario has stated that the Hydro Electric Commission proposes trying to secure some power leases on the Ottawa river. I submit therefore that it ought to be made clear that the renewal of this charter shall not interfere with anything which this government, or any other government that has jurisdiction in the matter, may wish to undertake in connection with development on the Ottawa river.

Mr. FORKE: The minister's statement is simply an explanation; it does not alter anything?

Mr. GRAHAM: Matters stand just as they did before.

Mr. CALDWELL: How much development has taken place under this bill?

Mr. GRAHAM: So far as I know, there has been just the preparation of plans.

Mr. RYCKMAN: What rights are maintained or contended for by the government?

Mr. GRAHAM: No rights which the federal government has ever had are being interfered with by the extension of the charter. If my hon. friend wants me to go into a discussion of the question as between federal and provincial rights I am afraid I shall have a considerable task.

Section agreed to.

Bill reported, read the third time and passed.

THE NORTHERN LIFE ASSURANCE COMPANY OF CANADA

The House in committee on Bill No. 36, respecting the Northern Life Assurance Company of Canada—Mr. McKay,—Mr. Gordon in the chair.

On section 2—Paid-up capital stock may be reduced to $250,000.

Mr. GRAHAM: What is the amendment?

The CHAIRMAN: The amendment provides that after the word "paid" in paragraph (a) of section 2 the following words shall be inserted:

—less the amount of the deficit, if any, in the non-participating fund of the company; provided that the amount so retained in respect of the said deficit shall be treated as a surplus in the shareholders' account and may be repaid from time to time to the said shareholders from the amount of the combined surplus in the shareholders' account and the non-participating fund of the company as ascertained by the Superintendent of Insurance.

Mr. GRAHAM: That was put in by the chairman of the Banking and Commerce committee?

The CHAIRMAN: Yes, and with the consent of the Superintendent of Insurance.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

IMPERIAL INSURANCE OFFICE

The House in committee on Bill No. 37 to change the name of Imperial Underwriters Corporation of Canada to Imperial Insurance Office—Mr. Chew,—Mr. Gordon in the chair.

On section 1—Name changed.

Mr. GRAHAM: Mr. Chairman, was any objection taken to this change of name before the Banking and Commerce committee? I have had a good deal of experience with insurance companies—there is a well-known company called the Imperial Assurance Company—and I know they are very jealous of their names. I should like to know what happened.

Mr. STEVENS: Objection was taken before the Banking and Commerce committee by representatives of the Imperial Life Assurance Company of Canada and the Imperial Guarantee and Accident Insurance Company of Canada. The objection was considered, and the committee decided to grant this name for certain reasons, which I may state briefly as follows: This company has had the name "Imperial" ever since its inception, and preceding that in a provincial form under a provincial charter secured in British Columbia. It was pointed out that taking the three names as a whole, the Imperial Life Assurance Company, the Imperial Guarantee Accident Insurance Company and the Imperial Insurance Office, there would be no difficulty or conflict so far as any legal transactions were concerned; and it was also pointed out that in practice the tendency is to abbreviate and that the abbreviation for the first company was the Imperial Life, and for the second company the Imperial Guarantee and that this company's abbreviated title will be the Imperial Office. Consequently both from the standpoint of legal transactions and of usage and practice it was decided that there could be no objection to the granting of this name.

Mr. BROWN: I do not know anything about this particular matter, but while the explanation of the hon. member may be very satisfactory both from the standpoint of law and of those who are accustomed to deal with these companies, I think we should regard it from the aspect of the people generally. The very fact that the word "Imperial" is used in connection with these three companies will inevitably tend to confusion in the minds of the public. As an illustration of this, I may say that a few weeks ago an insurance company in Winnipeg whose title contained the word "West" became involved and there was a great deal of confusion in the minds of the people whether it was the Great West Insurance Company or the Northwest Insurance Company. Even this slight similarity led to confusion. Therefore I think in allowing any company to use a name which is already well known there should be the greatest possible care to see that not only those accustomed to deal with them in a legal capacity but the public generally shall be able to distinguish without any possibility of confusion between the new company and those already established and well known.

Mr. BAXTER: I might add that it was further pointed out in committee that the only clash in business would come if this company should undertake life insurance, when it might conflict with the Imperial Life; but it was pointed out that the company could not enter into that department of insurance without coming to the Treasury Board for permission, when the question of name could be raised. The committee appeared to be unanimous in its decision.

Section agreed to.

Mr. GRAHAM: Mr. Chairman, before you leave the chair, I would call the attention of the committee to how much more satisfactory it has been to be able to get an explanation of this bill from the member for Vancouver Centre (Mr. Stevens). Those who are responsible in a measure for all these bills would like to have some person in the House to explain them. We have passed bills night after night which only those who are on the committee of Banking and Commerce know anything about. As the leader of the opposition (Mr. Meighen) pointed out the other night, we may be passing something which the majority of the House would not approve of if they had full information. I am not saying that that is the case with any of these bills to-night. I would not want to be very harsh, but if on two or three occasions we held up bills when their sponsors or the chairman of the

committee were not present to answer any questions, perhaps they would make a point to be on hand when the bills came before the House. I can understand that a member who is not quite accustomed to the rules of the House may not know on what occasions private bills are taken up, so I just throw out this hint for the second time: I think it will be wise for hon. gentleman in whose names bills stand to be present when those bills are coming up so that the House may get whatever information it desires; otherwise we are passing those bills blindly.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 19, respecting the Canadian Pacific Railway.—Mr. Jelliff.

Bill No. 22, to amend an Act to incorporate the Burrard Inlet Tunnel and Bridge Company.—Mr. Clark.

SECOND READINGS

Bill No. 79, for the relief of Douglas Lewin.—Mr. Boys.

Bill No. 80, for the relief of Mary Quinn.—Mr. Wallace.

Bill No. 81, for the relief of Marie Darling Irving.—Mr. Wallace.

Bill No. 82, for the relief of Margaret DeMello.—Mr. Wallace.

Bill No. 83, for the relief of Mary Caroline Dooley.—Mr. Stewart (Leeds).

Bill No. 84, for the relief of Barbara Gibb Duncan.—Mr. Martell.

Bill No. 85, for the relief of Nellie Sinkins.—Mr. Martell.

Bill No. 86, for the relief of Catherine Jean Livingstone.—Mr. Sheard.

Bill No. 87, for the relief of Alice Maud Knowles.—Mr. Sheard.

THE BUDGET

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

Mr. FANSHER: Mr. Speaker, when the House rose at six o'clock I was dealing with the protection afforded the automobile industry in this country, and I had endeavoured to show that the protection it enjoyed had enabled it to outbid other industries in the labour market, and thereby worked a hardship to industries that were more indigenous to Canada than itself.

It is a well-known fact that in southwestern Ontario labour has been drawn from the farms to the city of Windsor and adjacent towns by the influence of the high wages being paid in the industries centered there, particularly the automobile industry. It is also a well-known fact that immigrants brought to this country to engage as farm labourers, and who have been employed to assist the farmers throughout the summer season, have very often been induced by the high wages prevailing in the border cities to relinquish their contracts with the farmers and proceed to where those higher wages can be procured. To my mind, to assist one industry by means of a protective tariff which works hardship to another industry, by making it unable to retain its labour, is not in the best interests of the state as a whole.

Then too, as we have heard from the hon. member for North Waterloo (Mr. Euler) and others, it is inconceivable how one industry can be content with low protection, while another industry which uses the same raw materials receives a great deal higher protection, and in that connection I would cite the manufacturers of agricultural implements in comparison with the manufacturers of automobiles. They both use the same material, iron and steel and wood; both employ skilled workmen who are trained in the working of iron and steel and wood; and yet one industry is assisted very considerably more than the other, the automobile industry to the extent of about 35 per cent, and the other to approximately 10 per cent. It is a well-known fact that many manufacturers complain, perhaps not openly, about the unequal opportunities afforded by an unequal tariff such as is exhibited in the comparison between these two industries. I am certain that a policy such as this, which causes a discrepancy between one industry and another in their chances to procure labour, is not in the best interests of the country as a whole, and being convinced that that is the case I would like to see a policy inaugurated by this government, which is pledged by its platform to a reduction of tariffs, and which has made a start this session to implement that pledge—I would like to see inaugurated a policy which in the course of a few years, by bringing down a few budgets, would remove about one-third of the 35 per cent protection which is afforded the automobile industry and impose an excise tax on about one-half of the protection which was left. That would still leave them a protection of about 12 per cent, a protection which is twice the average rate of interest on bonds, twice the rate of interest on most investments.

I believe there is another reason why the automobile industry should not be protected

to the extent it is. It has an influence in keeping up costs in other lines of manufacture. Automobiles are a thing that will be bought by people in these days; they will go without some of the things which are more essential in order to get an automobile. We see in this city and other places people riding around in the left hand corner of a limousine costing $5,000 or more—more than the price the farmer and the industrial workers of this country pay for their homes, and yet we protect the automobile industry to over one-third the purchase price of its product.

Mr. Speaker, in the last few days in our discussion of the tariff and of its protective principle we have almost lost sight of the amendment which is before us. The amendment, to my mind, is good in itself, but in view of the fact that the government is proceeding in a direction which hitherto they have been very reluctant to take, or in the words of the Speech from the Throne, being persuaded that a tariff reduction is now all that is required to bring about better conditions, I think the mover of the amendment is rather like the boy and the filbert. He wishes to have all at once, and through desiring too much may not succeed in getting any. At least, that is what might appear on a first examination of the amendment, but to my mind it is a substitute for what is already proposed, because its express wording is that all the words after "that," which is the first word in the motion for the House to go into committee of Ways and Means, be struck out and the amendment substituted therefor. For my part I believe that a bird in the hand is better than a bird in the bush.

Mr. RYCKMAN: Or two?

Mr. FANSHER: I would not say there were two birds in the amendment. I do not believe in grasping at the shadow and dropping the substance which is in sight.

Reverting to that phrase in the Speech from the Throne which represents the government as being persuaded that taxation reduction is now essential, I am afraid the government has not been persuaded exactly along the right line; the persuasion has been too much along the line of sales tax reduction and not enough in the direction of a reduction in the customs tariff. I must express my belief at this time, also, that the sales tax, which is a more direct means of raising revenue, should not be lowered to any appreciable extent in the future. The line to be followed in granting relief to the taxpayers of this country should lead to the reduction of the customs tariff. As I said earlier in my address I believe that the loss of one dollar of revenue through reduction of the customs tariff will represent a gain of at least three times as much in relief to the taxpayer.

Before I conclude I wish to allude to the remark in the speech delivered yesterday by the member for West Toronto (Mr. Hocken) when referring to hon. gentlemen in this section of the chamber, he said:

> I said before, Mr. Speaker, and I repeat now, that if our friends in western Canada have sufficient patriotism and are willing to assist in making Canada the great country it is capable of being made, they should accept a moderate protective tariff.

I wish to appeal to my hon. friend's patriotism in this regard and to say to him that if he will join wtih the captains of industry—whose cause he champions—and will engage in the work of building up this great nation on a more even doubletree than is now the case we shall get better results and I shall have more regard for his patriotism. The patriotism that requests of one industry only that it should pull this country out of the position it is in at the present; a patriotism which permits of interests on one side of the doubletree using only a minimum of effort whilst the industries which lie at the very foundation of the prosperity of the state are given the short end of the haul is not to be commended. But the patriotism which will tackle in a right spirit the work that lies before us of making of Canada a truly great country, the patriotism which declares it will assume an even share of the work, the patriotism which will enter on a task in that manner and in that spirit, is a patriotism to be commended.

Now, for a brief allusion to the closing remarks of the hon. member for Vancouver Centre (Mr. Stevens). The hon. gentleman described his journey of a few weeks ago from the Pacific coast to the province of Ontario. He depicted the glories of the setting sun as he travelled through the pass in the Rocky mountains, but he did not mention the glories of the prairies. He spoke of seeing from the observation car of the train a settler at work in the fields of northern Ontario close to his home, whilst his companion stood in the door of the cottage with the children clustered round her My hon. friend said he could not help but admire these people and the work they were performing in nation building. Then he turned to the industrial worker in one of the large cities or towns of Ontario who had been identified with a particular industry for fifty years, and expressed his admiration for that worker also.

I wish to say to the hon. gentleman that if he too wishes to identify himself with the work of making this nation what it ought to

be he will haul on an even doubletree and permit the citizens and industrial workers to whom he alluded to do the same; and if he and the industrial concerns of Canada are actuated by that spirit they too will give evidence of a greater and more magnificent patriotism than was exhibited, for example, when the hon. gentleman tried to uphold a policy that makes for collecting toll from these same individuals.

In conclusion I must say that we as a nation have a great heritage and the development of that heritage is the task that lies before us. Our forefathers handed down to us as grand a heritage as ever was transferred from one generation to another. But while we may believe that the future this country is destined to achieve may be attained by different fiscal policies or different fiscal reforms I am certain the members of this House are all true, and loyal, and sincere in their desire and endeavours to make of this Canada of ours one of the grandest and best countries under the sun.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, in rising to address the House I congratulate the Acting Minister of Finance (Mr. Robb) on the able way he has presented his budget proposals. I also congratulate the government on at last recognizing the wisdom and necessity of starting to carry out their 1919 programme. I appreciate this more because I fully realize that it is in recognition of the presence of the third group in the House, but for whose appearance this sort of budget would never have been presented.

9 p.m. The statement that will give the country the greatest hope, however, was when the Acting Minister of Finance said:

> We have certain basic industries, upon the success of which depend the growth of all other industries, and the greater development of our trade.
>
> Of these basic industries I would place agriculture in all its varied branches first. Next to agriculture I would place our forests, our minerals and our fisheries. The real National Policy is a policy that will encourage growth and development of these basic industries.

If Ministers of Finance would follow the lead of the present Acting Minister of Finance (Mr. Robb) and recognize that those are our basic industries, the country would derive new hope and have a stimulus to greater effort. If the Ministers of Finance for the last forty years had recognized which were the basic industries of this country, Canada to-day would be a far greater country than it is.

I should like to deal with a few of the orthodox suggestions that are put forward by various members in this House during the annual budget debates. One of the favourite ideas of those hon. gentlemen who do not happen to make their living off the land, is that those who are on the land should go into mixed farming. Particularly is this advice given to those hon. members who come from the West. I should like to point out that that is going to have a very dire effect in the future upon the agriculturists of eastern Canada, and the day will come, and not many years hence, when, through the farmers of western Canada going into mixed farming, they will be found to be the greatest competitors of eastern Canadian farmers, both at home and abroad. I am pleased to see that the farmer members from eastern Canada do not hand out that advice; it comes from hon. members who are not interested in farming or who are not farmers themselves. Farmers in eastern Canada realize that western farmers will be real competitors and make things much worse for the eastern men as soon as they go into mixed farming.

A further suggestion relates to immigration which is held up as another of the cure-alls. Immigration of the right sort is what we want; volunteer immigration is all right; but immigration that is forced, as has been the case for some years past, and as was particularly the case last year, is forced at a great cost to this country. A good deal of criticism was offered from this side of the House during the immigration debate last year, because we realized that the government would be spending a great deal of money and probably throwing most of it away. What do we find is the result to-day? We find that although the government spent some $3,500,000, every single settler that was brought into Canada plus 45,000 more have gone to the United States!

Another suggestion often given out at this time is that everybody should practise rigid economy. While to practise economy individually is all right, it is a terrible weapon, if carried out on a wholesale scale, as it would then cripple commerce in every way.

Another statement often made is that labour costs are too high, and labour comes in for a good deal of condemnation. I should like to put on record a few figures with regard to labour costs, in order to show that, when all is said and done, labour costs are not always the greatest costs with which we have to contend. I should like to give an example to show how labour costs are often small, comparatively speaking, in comparison with other charges. In a statement given by Sir Adam Beck, in referring to the Hydro-Electric Commission, he gave these figures:

> Estimated revenue from power plant for 1924, $9,500.000.

This would be distributed as follows:

Interest..	$ 6,200,000	
Sinking fund..	1,217,000	
Depreciation..	410,000	
Operation..	1,280,000	$9,107,000
Surplus for the year..		$ 393,000

Or a surplus for the year of nearly $400,000.

While listening to the debates in this House, it has often occurred to me how contradictory certain statements are. For instance, hon. members who sit to my right have for two years been continually criticising the government for not carrying out their pledges. This year because the government are attempting to carry out their pledges—and we should give them credit for that—we find they are receiving just as harsh criticism from the Conservatives for trying to do so.

Another contradiction which I might point out is this. Regarding the group to which I have the honour to belong, representing, as it mainly does, the agricultural constituencies of western and eastern Canada, the farmers have often been criticised for not getting down to business and organising. Now that they have organized and sent some sixty odd members to this House, their action seems to be criticised and not at all well received.

We have heard a good deal lately during this debate of the way in which the people are leaving the country because of this low tariff budget. That argument, from my Conservative friends at my right might hold water if it were not for the fact that for some years past while we had what might be called a reasonably high tariff we lost very large numbers.

Further advice given to the farmers is such as this: They are told to work harder, to produce more and to be thrifty. As one who knows the life of the farmer very intimately, I should like to know how farmers can be expected to work much harder. As regards producing more, I think they have done their share in that respect, and as regards being thrifty, it is hard to tell how the majority of the farmers could be more thrifty than they are. It is rather amusing when you consider the criticisms that are brought against the orientals who are coming into this country and the reasons given why certain people do not want them to be kept in Canada. The reasons given, are that they work too hard, they produce too much and they are too thrifty.

For some years past, indeed, I may say for many years, through what you might call class legislation, the basic industries of this country have had very little attention paid to them, with the result that they have suffered very much, and to-day are at a particularly low ebb, so low that you find that the agricultural people are able to pay a very small percentage, according to their numbers, as their part of the income tax bill of this country. Then the criticism is made of these people. "Why don't they pay income tax"?

We also hear a good deal in regard to the present standard of living in Canada, which it is said, should be higher. At the same time we find large sums of money being spent on immigration literature in central Europe with the idea of bringing a lot of those people out here, officials must be perfectly well aware that if any large numbers of these people are introduced into the country the standard of living is apt to be lowered. For some years past it has always been the aim of the Minister of Immigration with his staff to encourage people coming to this coutry to take up farming, and for a while no one was encouraged to come unless he settled on the land. I believe the doors are thrown open a little wider to-day, but one point which the Minister of Immigration should realize quite fully is this, that you cannot force people to farm, irrespective of conditions. If economic conditions are unjust, uneven, unequal, or unfair, you cannot force people to farm, and if you succeed in getting them to go on the land they will not settle down under these conditions. We are making great efforts to curtail unemployment, but at the same time by this system of immigration, whereby we have induced people to come to the country out of proportion to the demands of industry, we naturally swell the ranks of the unemployed annually.

From the year 1911 onwards hon. gentlemen to my right—Conservatives—have done their level best to frustrate any chances we may have had of securing reciprocity with the United States, so that through their action we lost the best stock market we could have had. And now that we have lost that market we are told by these same gentlemen that we should go in for mixed farming. We have heard a good deal about the supposed agreement between the party representing the government and those gentlemen amongst whom I happen to sit. Criticisms have been made of a close alliance which it is alleged exists between these two groups. Well, Mr. Speaker, it is interesting, on consulting Hansard, to find that in the year 1923, of 21 votes that were taken, in 12 the Liberals and Conservatives voted together against the Progressives, on four occasions the Liberals and

Progressives voted against the Conservatives, while four other votes represented a combination of Progressives and Conservatives against Liberals; the other one being a mixed vote. I think therefore that we might infer from these figures that the true morganatic alliance is between the two historic parties.

The criticism has been made by an hon. member to my right during this debate, that the government has been false to the business interests, to whom it broke its promises. I want to point out that the governments of this country during the last forty years have been false to the best interests of our basic industries. I desire to put on record a few figures with regard to the inequality in ability to pay income tax as between the farmer and other interests. These figures are important when we consider that the agricultural population represents about 50 per cent of the whole, and that there is twice as much capital invested in farming as in manufacturing and nearly twice as many people engaged in the industry. I am recording these figures because there has been so much criticism in this House of late to the effect that the farmers have not been paying their share of income tax. I have the figures for the years 1920, 1921, 1922 and 1923. In the year 1920 the farmers paid $525,836, and in that same year the professional classes paid $1,093,401, while the three groups representing employees, merchants and manufacturers paid $11,788,398. In 1921 the farmers paid $611,736; the professionals paid $2,642,585, and the three other groups paid $27,209,056. In the year 1922 the farmers paid $1,299,104; the professionals paid $2,526,544, or about twice as much as the farmers were able to pay; while the employees, merchants and manufacturers together paid $26,736,032. Now we come to the year 1923, when there was a tremendous drop in the amount which the farmers were able to contribute, for in that year they were able to pay an income tax only of $472,049, while the professionals increased their contribution to $2,663,900; the three groups comprising employees, merchants and manufacturers having paid $21,874,466. This I think is very conclusive proof that the farmers are not making a great deal of profit in their industry today.

The subject of the tariff has been covered so well by hon. gentlemen in all corners of the House that I hesitate to add to the information in Hansard, however, I want to quote from a pamphlet issued by the National City Bank of New York. This information will be particularly interesting to my Conservative friends in the House. The pamphlet says:

> Besides, we are not sure that lower duties would increase our imports, since reading the following paragraph from Dr. Leaf's address to the stockholders of the Westminster Bank, London, England, a few weeks ago. He said:
>
> "It happens that we have before us at this moment an excellent illustration of the way in which international payments are made in goods. It will be within the memory of all of you that, some two years ago, the United States passed what is known as the Fordney Tariff—a very high tariff designed with the especial intent of excluding foreign goods, and in the belief that other countries could not dispense with the products of the United States. Now, how has the Fordney Tariff worked? I have before me the figures of trade between the United States and Great Britain for the first nine months of 1923. I compare them with the first nine months of 1922. You will suppose—or at least the authors of the tariff certainly supposed—that there will be a great falling off in the exports from Great Britain to the United States, while the exports from the United States to Great Britain will be maintained. Well, what are the facts? The exports from the United States to Great Britain have declined by more than £16,000,000, while the exports from Great Britain to the United States have increased by over £10,000,000. The balance of trade in those months has moved nearly £27,000,000 in favour of this country. Surely this must give Mr. Fordney serious matter for consideration."

The protectionist interests are perhaps beginning to learn that they cannot successfully preach increased tariffs and reduced wages at one and the same time. The tariff has failed to protect Canadian industry; it has failed to maintain purchasing power in the home market for Canadian goods. It has apparently been of very little benefit to Canadian manufacturers. The tariff has certainly been no protection to Canadian workers against unemployment. I agree with J. M. Keynes, the noted economist that protection cannot cure unemployment. Protection is an attempt to limit the volume of trade; it must mean charging the foreigner more at the expense of doing less trade with him. A sound principle is that there can be no disadvantage in receiving useful objects from abroad. If we have to pay at once, we can only pay with the export of goods and services, and the exchange would not take place unless there was an advantage in it. Every export which is not paid for by an import represents a decrease in the capital available within the country. Thus an artifical interference with imports must either interfere with exports, or involve an artificial stimulation to capital to leave the country. Now, if we are to interfere at all with the natural course of trade, surely it should be with the object of keeping capital at home, not driving it abroad. Our imports are our income. To put obstacles in their way is to be as crazy as a business man would be who tried to prevent his customers and his debtors from paying their bills.

One of our greatest problems is to enable the people to get purchasing power to buy what is produced. Science has so speeded up industry that this is practically impossible under our present system, with the result that we run into periodical world slumps in trade, unless we get a war to retrieve the situation by destroying quantities of material, and thereby giving a big impetus to trade.

As an example of this speeding up of industry, they have in the United States a labour-saving machine which takes the place of the old fashioned sock machine in Europe of thirty years ago, which employed one operator on six machines, producing 432 socks per day. They now employ full automatics, one operator now attends to twenty-five machines and produces 3,600 socks per day. The purchasing power of the people is ultimately determined by the pay-roll of the people. When pay-rolls are dispensed with by cutting down labour costs, the world will be a place of bliss and bondholders.

It is very satisfactory to know that more people are realizing that the problem is not one of production but of consumption or purchasing power; although it is unfortunate that very few hon members in this House are prepared to go that far. In a New York journal entitled Commerce and Finance I read the following:

> It is now evident that in the production of some basic and fabricated commodities our capacity exceeds the powers of domestic consumption. Were we to produce up to the maximum capacity in these commodities the conditions of the eighties would be repeated and competition be highly destructive.
>
> In considering the production and marketing of goods, it is clear that our tendency is to lay too much emphasis upon their origin, the production rather than the consumption of goods, for it is the consumer that makes business and not the producer. . . .
>
> During the coming year we must avoid piling commodities upon merchants beyond their powers to dispose of them. We must watch eagerly over distribution, we must study the powers of the people to consume goods, remembering that the important thing in merchandise is the power of the people to consume and not the power of production.

Following this statement, it is worth while considering the remarks of Mr. Hoover of the United States, made some three years ago, in referring to Europe, which should be one of our best markets. He said he considered that one hundred million people on that continent were not really self-supporting. They either lived with the aid of credit and charity, or half-lived or did not live at all.

If Canadian business is going to come back to normalcy we have got to see that Europe has a purchasing power. I should like to know what the government's plans are so far as Canada is concerned in bringing this about.

We have heard a good deal in this House in regard to the amendment moved by the hon. member for Centre Winnipeg (Mr. Woodsworth). That amendment is very similar to the platform on which I was elected,—the platform which I have stood by since I entered Canadian public life, the platform that I believed in last year—and to the amendment I supported last year. Therefore I cannot see anything in it which will prevent me voting for it this year also.

We have heard from various parts of the House about the serious condition that Canada is in, not only in the West but also in the East. We have heard that manufacturing business is bad; but I believe that the agricultural interest is in a far worse condition. The people are crying out for relief. That relief must come, and come quickly, or we as legislators will be held responsible.

On motion of Mr. Copp the debate was adjourned.

Mr. MACKENZIE KING: It is understood, Mr. Speaker, that we are to go on with Supply—Agriculture.

SUPPLY

DEPARTMENT OF AGRICULTURE

The House in Committee of Supply, Mr. Gordon in the chair.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Chairman, I have been requested by one or two hon. gentlemen to let vote 46 stand for the present. We will proceed with vote 47.

Agriculture publications, $33,500.

Mr. MOTHERWELL: The extra amount is for publicity and bulletins for distribution during the Empire Exhibition this summer.

Item agreed to.

International Institute of Agriculture, $15,000.

Mr. MEIGHEN: Of what value is this?

Mr. MOTHERWELL: We decided not to send delegates to Rome in connection with the institute this year, the idea being to economize as much as possible. We are keeping up our dues in the usual way and maintaining the staff here.

Mr. LUCAS: Will the minister explain what benefit Canada gets from that?

Mr. MOTHERWELL: Agricultural statistics of the world are compiled by a body located at Rome, representing some 62 countries. The information is assembled there from month to month and redistributed to the various countries concerned. Farmers and others interested are thus made familiar with the amount of grain and other products

produced in the various countries, and if, for instance, there is a surplus in any particular line, those interested in growing that product may regulate their sowing accordingly. I do not think the average farmer pays very much attention to that side of it. It is largely a matter of the securing of information of a statistical nature for governments, individuals and the press. For instance, last year we discovered through the medium of this body that Canada had become the largest grower of export wheat in the world. Of course we might have found that out a few months afterwards in any case. I do not suppose anything serious would happen if we did not have this institute. But we are working in co-operation with about 60 other countries, and sometimes you have to keep up your part when you are in an institute of this nature, even though you may not be able to point to any very outstanding results from it. I do not think we would care to retire from our connection with the institute.

Mr. MEIGHEN: What is the basis of contribution? Do we pay as much as the United States, say, or is it on a per capita basis?

Mr. MOTHERWELL: The countries are classified into groups. The United States this year are sending over something like 23 representatives; they are making a feature of it. There is a contribution to the expenses of Sir Thomas Elliott, located at Rome, who is delegate for Canada and Great Britain on the permanent committee. The countries are grouped according to importance and a levy is made for the maintenance of the office in Rome and the distribution of the information as it comes in. The home offices are maintained by the respective governments.

Mr. MEIGHEN: I got some information, but it was not what I asked. What I asked was: How do we tell what we ought to contribute? Is it per capita?

Mr. MOTHERWELL: The respective countries have the option of belonging to whatever group they like. Canada elected to belong to group 2, and that involves a certain contribution, amounting to almost $7,000 for the office in Rome. The balance goes to maintain the office here in the West Block.

Mr. MEIGHEN: What does the office in the West Block do? How does it co-operate with Rome?

[Mr. Motherwell.]

Mr. MOTHERWELL: They compile the statistics at this end and transmit them to the headquarters at Rome, and then in turn they receive them back when the totals are realized there and redistributed. Mr. Doherty, who is in charge of the office here, has been engaged in that work for a number of years. They have a very substantial library. The staff numbers about five.

Mr. MEIGHEN: The whole thing is a mystery to me. It may be all right, but I cannot understand it. The purpose is to get statistics of agricultural production. Well, why there needs to be an institute at Rome or anywhere else to do that, I do not know to begin with. We have our system of statistics, so has every country; you can find out agricultural production any time you telephone our statistical office, and every other country has a corresponding system. There is no doubt in the world that every agricultural department or any government can get from the other governments and does get regularly the statistics of agricultural production, just as we get the statistics of manufacturing production and of railways.

Mr. MOTHERWELL: It is a clearing house.

Mr. MEIGHEN: What in the world do we need a clearing house for? There may be need of it, but it is not apparent to me. You might have a clearing house for every class of production on earth. I am always suspicious of these international bodies. The world is getting top-heavy with machinery.

Mr. MOTHERWELL: My hon. friend does not think it is something that I have sprung on the country, does he?

Mr. MEIGHEN: No, I do not think the hon. gentleman sprang it on the country, but I would like to get some explanation of it that is intelligible, and I have not got it yet. I will now come to the office here. Why should there be a sort of Canadian radio centre to get this from Rome? What is our statistics office for? They will get this information just as easily. Why a receiving station here with five or six of a staff? I am not particularly criticizing the minister, except I do not think he has gone into it very much. I do not doubt if the former minister were here he would have some defence of it.

Mr. MOTHERWELL: If the hon. gentleman will sit down I will tell him something of it.

Mr. MEIGHEN: I hope so. I waited patiently through his last three or four efforts, but without much glimmering of the purpose of this office.

Mr. MOTHERWELL: I took it for granted you knew a little bit about it to begin with.

Mr. MEIGHEN: I do not think the minister would if he had not his deputy beside him.

Mr. MOTHERWELL: I cannot recall the exact date, but I remember a gentleman by the name of David Lubin getting the notion into his head of organizing a world institute of this nature for the purpose of consolidating the statistics of the world, particularly those relating to agriculture. I was at Regina at that time, and I know the Hon. Sydney Fisher, who was then Minister of Agriculture, was one of the first delegates who went over from Canada. David Lubin is the gentleman responsible for having this notion. I cannot give my hon. friend his history, but I am sure he must have heard of him. I think a good many in the committee will recall that about that time there was a mania for collecting statistics. You heard talk of statistics everywhere, and this gentleman seemed to get the idea of wanting to go everybody else one better by getting world statistics from the various countries. Some thirty-two countries fell in line with his proposition, and the scheme crystallized in Rome where a permanent office has been established. I do not know exactly how large a staff they have, but we contribute about $7,000 towards its maintenance. Thirty countries gather their statistics at home and transmit them to Rome, and there they are consolidated and distributed all over the world. That is briefly the story of this organization. Whether it is worth this amount of money I cannot say. I have never attended one of the meetings, but some of the ministers in the past have taken the opportunity of going over and seeing for themselves. I do not expect I shall, but if I had taken the opportunity I would be in a position to give my hon. friend first-hand information on the details. I must say that I never was very much struck with the work when it was first inaugurated, but it was here when this government came into power. Our delegates who went over two years ago made a special report to me, and they seemed to think they would not by any means care to recommend that this work be dropped; they thought the institute was doing a useful work. If we were hard enough up we could do without it, but nevertheless we joined with these other countries in establishing this institute, and other countries instead of relaxing their interest seem to be taking a deeper interest in it. The United States, for instance, instead of sending over two or three delegates is sending twenty-three this year. We are not sending any delegates this year.

Mr. SALES: Who is this supposed to benefit?

Mr. MOTHERWELL: I indicated that possibly when my hon. friend was out—the farmers and people generally who are interested in these returns.

Mr. SALES: Does the minister himself think that the farmers derive one dollar's worth of benefit from the money that is spent on this work?

Mr. MOTHERWELL: I do not think the farmers govern their actions one particle by these statistics. If there is a surplus of any particular product the farmers are supposed to be made acquainted with it and govern themselves accordingly in their sowing operations, but there is not one farmer in ten thousand who actually governs himself by this information. But that was one of the dreams of the originator. As a matter of furnishing actual information however, it is possibly worth while. We are a wheat-growing country, and the largest exporter of wheat in the world, and as I pointed out a few moments ago we were given information on the wheat situation through this medium, and that is only one illustration of the useful information that has come to us through this medium. We got along before this institute was organized, but then, of course, we got along without many other things too prior to that, and for my part I would not like to see us drop out of it without consultation with the various countries with whom we co-operated in the first instance.

Mr. BRETHEN: Through what channels does this information reach the people it is supposed to benefit?

Mr. MOTHERWELL: Through press despatches, the agricultural press particularly, and through bulletins. I am sure my hon. friend must have seen Mr. Doherty's articles from time to time.

Mr. BROWN: They issue a very elaborate report. It has been coming to me for some years, but I cannot say just how often it comes because I do not read it very carefully. They send this report around to some people; I do not know to whom.

Mr. BRETHEN: Is Canada committed in any way with the other nations to keep up this establishment in Rome?

Mr. MOTHERWELL: The contract just coninues from year to year. The United States got into correspondence with us and their delegates offered to convene with ours here and go over together, but we were obliged to tell them we were not sending delegates this year. They went ahead with their own plans and are sending twenty-three delegates this year, so as far as this continent is concerned the United States figured that we would remain in the institute at least until we gave notification to the contrary. There is no contract signed to stay in with it for any length of time, but it just goes on from year to year. At the same time it is supposed to be a progressive movement so far as statistics are concerned, and when other countries are going into it so strong as the United States, for instance, it would not look a very good time for us to do anything else than remain in it.

Mr. LEADER: The minister said a moment ago that if we were hard enough up we could get along without this. I wonder if we are not at that stage right now. The minister says the United States can afford to send twenty-three delegates over, but the United States can afford to be extravagant; I do not think Canada can. Now the minister tells us that we can get out of this by notifying the other countries that we are not going to take part in it, and I would suggest that he take that step. I grant that he is not responsible for this organization; it has been bequeathed to him, but why not take another step in the right direction and on the grounds of economy notify the other contracting parties to this agreement that as far as Canada is concerned we intend to withdraw for this year at least.

Mr. MOTHERWELL: Do I understand my hon. friend to suggest that this year we should carry along with the organization, and in the meantime notify the other countries that we contemplate withdrawing before another year?

Mr. LEADER: If we cannot withdraw at once, if we are bound to give a year's notice, we must observe that obligation with the understanding that we reserve the right to withdraw next year. But I understood we could withdraw at once.

Mr. MOTHERWELL: It is the central body at Rome that we are committed to, but various ccuntries are co-partners in the enterprise. The institute was established with the understanding, of course, that the expense would be borne by the various countries that are getting the service which it supplies. I think in ordinary common decency we should give notice of reasonable time in advance before we withdrew from the arrangement. I may say that two years ago when we were sending a representative over to a conference at Rome I asked for a candid report as to the value of this work to Canada. The report I received was not very pronounced either one way or the other but the general tone of it was that we had better continue the arrangement. Personally I think we could dispense with it to-day and we would not know to-morrow that we had lost anything very substantial. At the same time I have never been at a world conference of this nature and am only able to speak from second-hand information. Consequently I do not know what my judgment would be if I saw the conference in operation. Apparently it is just one of those things that grew out of the prosperity of former days, and ran along, and a great many people think it is all right. I have never heard any other country discuss it. I was the only adverse critic—at least the only "doubting Thomas"—that I knew of in Canada two or three years ago. I made inquiry and was told it was a fine institution and I had to put, and did put, my opinion to one side. I think in many respects it is of no practical value to the farmer in guiding his farming operation on the land.

Mr. LEADER: In view of the strong statement the minister has just made I would ask him if he would take into consideration the withdrawal of this item for next year at least?

Mr. MOTHERWELL: I will recommend it to my colleagues. We have international relationships with other countries in this matter, and we would have to look into it very carefully—I am not supposed to knock the matter out right off my own bat. However, I will tell my hon. friend this: I will recommend to my colleagues that I think we can dispense with it. I may say that I have already done that, as a matter of fact.

Mr. BOYS: What is the total cost of keeping this office up? Do the various countries—twenty-eight I think the minister said—bear the expense equally?

Mr. MOTHERWELL: What is the total cost of all the countries?

Mr. BOYS: Yes, the cost of maintaining this office in Rome?

Mr. MOTHERWELL: Well, it will be more than thirty times seven.

Mr. BOYS: I just multiplied $15,000, which is the item, by twenty-eight—I thought from what the minister said there were twenty-eight countries concerned—and I see it comes to $428,000. I was wondering what sort of office it would be to cost that much money. It would have to be a very extensive one certainly. Now, do the countries concerned all bear an equal share, or how is the expense provided for?

Mr. MOTHERWELL: I am just figuring out how much it will be. I went over that once and I am sorry my hon. friend was not in when I gave an explanation previously. The cost is about $210,000 assuming they all pay about the same as Canada, but I imagine a lot of them would pay quite a bit more. We are in number two group, number one group would be more expensive.

Mr. BOYS: I was asking the minister on what basis we contribute? I suppose we do not "go it blind." There is some basis on which Canada is asked to contribute a certain amount of money, and I presume there is something to show why we are asked to put up $15,000?

Mr. MOTHERWELL: I have gone over that already. The countries are divided into three groups—one, two and three. An estimate is made of the amount for the total requirements and it is allocated to the various countries in these three groups. It is an arbitrary amount to suit the sum that has to be allocated. We had the option of choosing what group we would go into and we went into group number two.

Mr. DOUCET: The whole of the vote does not go to the central office in Rome. According to the details of expenditure for 1922-23 out of practically $15,000 expended, only $2,754 was contributed to the central institute in Rome. Now, would the minister be good enough to tell us how much of last year's vote was really expended in the year 1923-24?

Mr. MOTHERWELL: I have not been able, perhaps, to catch the entire significance of my hon. friend's question but if my conception of what he has asked is correct I will give my explanation if he will be seated just for a moment. The amount that we send over every year is not always the same. Sometimes we are behind with our contribution. If we are a little short in the vote sometimes we get a year behind, and the next year we require that much more.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Hon. gentlemen opposite seem to be amused, it is all right.

Mr. DOUCET: I will make my question sufficiently intelligible to the minister this time. During the year 1922-23 the International Institute of Agriculture cost this country $14,269. Of that amount $2,754 was the contribution to the institute at Rome for 1922, I presume—I think I am right—that the contribution for 1923 will be something on a par with the contribution for 1922.

Mr. MOTHERWELL: No.

Mr. DOUCET: Hence I say that out of that vote of practically $15,000 two years ago, something like $2,750 was expended for the central institute in Rome. The balance went for stationery, advertising, printing, publication and the expenses of the delegates representing this Dominion at Rome?

Mr. STEVENS: Cigars and cigarettes.

Mr. DOUCET: I feel a good deal like an hon. gentleman who sits to my left, who said we could easily dispense with this item. The minister himself said that he had been "a doubting Thomas" and he has not as yet confessed that he is confirmed in his belief that this is a necessity. He has admitted to us that no one interested in the farming industry of this country has reaped or will reap one cent's worth from this expenditure. I take into consideration the fact that in the interest of economy the federal vote to the different provinces in connection with agricultural instruction has been curtailed, and I think we might as well curtail this item also.

Mr. MEIGHEN: I am not sure the hon. gentleman is entirely right; I think the minister has distributed his opinions very fairly. He said this vote could be dispensed with and that nobody ever benefits from it at all, that there is no value in it. He also said that it is a fine institute. He further said that he is ready to propose to his colleagues to have nothing more to do with it. I do not think we could ask for a finer variety of opinions than that. May I ask last of all if Mr. Marshall had a trip over there to this institute? Has he been one of the delegates yet?

Mr. MOTHERWELL: No. My hon. friend has a great faculty of presenting a thing so as to make it appear exactly what it is not. I said that so far as it was an advantage to the farmer, its advantage was not appreciable; and that, as a matter of

fact, I did not think it was of any value as regards determining his course of conduct in sowing his fields to fit in with the reports of the institute. I did not think it had any effect in that regard at all. That was one of the dreams and theories of David Lubin; that was one of the advantages which he preached in order to get the various countries to take this up. But from an international standpoint, surely sixty countries that are engaged in this work are not all so foolish as to throw money away just to give a few people a trip to Rome. We have joined with these countries; we have committed ourselves to support the central office at Rome, and if we desire to retire from it, I think we should notify the central office a year in advance. It is quite correct that it will not cause me very much grief to notify them, but in the meantime I would not want to retire from this institute until we had given the ordinary business intimation that we were going to do so and had observed the ordinary proprieties between countries.

Mr. SUTHERLAND: I am sorry to find the minister retiring from the position which he assumed two years ago and a year ago. When he came into office, an amount of $10,000 was voted for this object. The International Institute of Agriculture at Rome was a new venture at that time, when he saw fit to increase the expenditure by $5,000 and the following year by another $5,000, really doubling the expenditure from the time he came into office. To-day he tells us that he is a "doubting Thomas," and he doubts whether we are receiving any benefit from this expenditure or not. If we are not receiving any benefit, I do not think we have any money to throw away. He says that all we have ascertained is that Canada is the greatest wheat exporting country in the world. I think we can find that out without going to Rome.

Mr. MOTHERWELL: I admit that.

Mr. SUTHERLAND: Although the minister was quite optimistic about increasing the expenditure for that purpose during the last two years, he is prepared to-day to admit that it is a failure and to wipe out the whole thing. I notice that he has been referring to a Mr. David Lubin who has figured prominently in connection with this matter. I notice Mr. W. A. Wilson from Regina has received a considerable amount out of this item, and probably the minister will tell the committee what Mr. Wilson has been doing in connection with this work.

Mr. MOTHERWELL: He was one of the delegates that went over with Dr. Charron, who was in England at the time. We secured his services there and we paid for his services from there to Rome. He was joined by Mr. Wilson and they were the two representatives who made a special report. I got a report from them especially for the purpose of finding out from someone whom I knew just what value this institute was to us. The reason for the increase the first year was that when we came into power, I found that the contribution towards the central office was behind and we had to add that amount in order to bring our contribution up to date.

Mr. SUTHERLAND: What about the increase the second year?

Mr. MOTHERWELL: Because the cost of an institution like that, as in everything else, is always increasing. Office work is growing; it is getting larger. You cannot send twenty-three extra delegates from the United States this year, and possibly delegates from other countries to some extent in the same proportion, without increasing the expenses of the institute. The reason that this appropriation is less is because we are not sending delegates this year.

Mr. SUTHERLAND: Has the minister's special representative, Mr. Wilson, reported against continuing this work?

Mr. MOTHERWELL: No, neither of them reported against it. Mr. Wilson's report, as I remember it, was that it just depended on how hard up we were and how much we needed that $15,000 for something else. That is looking at the matter from a narrow standpoint. But on the other hand he took the ground that we were in this institute in co-operation with some sixty other countries, and we had an obligation to them which he thought we should fulfil. I do not recall all the details of his report, but I remember the sum of it was that he thought we should continue the grant for the present at all events, until some intimation was made of our intention to retire from it. Otherwise, had the report been against it, the chances are that I would have pressed more strongly for its elimination and possibly given the various countries, especially Rome, intimation of our intention to retire. Dr. Charron, who was engaged at the instance of the Quebec government in the Old Country at the time, reported quite strongly in favour of it.

Mr. SUTHERLAND: Had Mr. Wilson any special qualifications for this work that he was sent over to look after it?

Mr. MOTHERWELL: No, except that I knew that what he would report, I could rely upon.

Mr. STEVENS: A good friend?

Mr. MOTHERWELL: No.

Mr. SUTHERLAND: And his report has evidently convinced the minister that this is money thrown away?

Mr. MOTHERWELL: No. I knew that before.

Mr. SUTHERLAND: That there was no use in continuing this expenditure. The minister was a "doubting Thomas" at the beginning and he is more so to-day.

Mr. MOTHERWELL: I told my hon. friend that when the scheme was launched away back in 1908, I did not see any practical value in it for the farmer, so I did not have to wait until now, or for Mr. Wilson's report, in order to find that out. But I found out from Dr. Charron and him that we had an obligation, that we had contracted jointly with those other countries that we should continue until we should give formal notice. This is not the only case that we have had to deal with in connection with international events, and unless you keep up your obligations, you are looked upon as a tail-ender and a quitter. You have either to be with it or not with it.

Mr. SUTHERLAND: I wonder if that rule would apply to the minister's administration of the whole department, that he is to be considered a tail-ender unless he doubles the expenditure for all purposes. The amount was only $10,000 when the minister took office. The following year he increased the amount by $5,000 and the next year by another $5,000, thus doubling it. Now he admits that it is an absolute failure and he does not see any advantage to this country by continuing it. In that case, I think it is folly for us to be voting money for something that is not going to bring any benefit to the country. We need to control our expenditures as much as is possible in every respect, and I think the sooner we come to that understanding, the better it will be for all concerned, instead of voting money for something from which we do not expect to receive any return. The minister has admitted to-night that he does not see any advantage to be gained by continuing this vote for this purpose, although he has seen fit to double the grant since assuming office. I hope he will carry out the policy all along the line of seeing that all these extravagant estimates are reduced in that respect. I commend him for his frankness in to-day acknowledging that he does not see any advantage in continuing this grant.

Mr. MOTHERWELL: The vote is reduced by $5,000 this year. That much should be apparent on the surface. I think I have already explained to my hon. friend once, if not twice that the reason we increased the amount two years ago was because, when we came into power we found that we were $5,000 behind in our contributions to the central institute and we had to pay up that amount. Then the next year we had to send two delegates and the expenses in connection therewith had to be charged up. The general cost of the office, as a result of an advance in salaries and costs of administration, accounts for the rest of the increase. This year as a result of not sending any delegates as we should have done if we had carried out the practice of the past ten or twelve years, of sending two delegates every other year, we are able to bring down an estimate of $5,000 less than that of last year.

Mr. BOYS: I understand the minister to say that the only reason he continues this vote is the fact that there exists a contractual obligation. He has made it manifest that so far as he is concerned he thinks the thing is useless, but he defends it on the ground of that contractual obligation.

Mr. MOTHERWELL: There is an obligation to the central body.

Mr. BOYS: It has not been made very plain just how that obligation has arisen. Were we parties to the establishment of the central office in the first instance?

Mr. MOTHERWELL: Yes.

Mr. BOYS: Was it as a result of agreement between the nations?

Mr. MOTHERWELL: Yes.

Mr. BOYS: We are not committed to this vote for all time?

Mr. MOTHERWELL: No.

Mr. BOYS: I take it there is no written contract, but unquestionably there is correspondence. Is there anything in that correspondence which makes it impossible for us to be relieved of this expenditure without a certain period of notice? Are we supposed to give a year's notice or any definite intimation of our intention to withdraw from the institute? If there is provision for such notice I suppose we can at any time give that notice

and simply discontinue our contributions without in any way committing a breach of obligation. If the minister is of the opinion, as it seems has been since 1908, that this is a useless expenditure, we might as well discontinue it now.

Mr. MOTHERWELL: When we got into arrears before we were billed for the amount that was allocated to us.

Mr. BOYS: Are we behind now?

Mr. MOTHERWELL: No, but we have been in recent years and we paid up. They are not going to discontinue sending us the information and the bulletins that we get simply because we have not paid up; they will assume that we will settle in time. I feel that it would be an international impropriety—because there is no question of breach of contract, seeing that no contract exists—if we withheld our contribution without adequate notice.

Mr. MacKELVIE: Are Mr. Doherty and his staff engaged all the time compiling these statistics in the West Block?

Mr. MOTHERWELL. There is a very substantial library the publications in which are circulated, but I do not know just what arrangement is in force for getting the books and the publications back. These publications are distributed throughout Canada and I know that they return regularly. I am not familiar with the system, but I take it that no new publications would be sent out until those that were out were returned. Sometimes it requires correspondence to get them back.

Mr. MacKELVIE: If this vote were dispensed with we could do without the services of this staff.

Mr. MOTHERWELL: Well, for that matter we could get along without the Department of Agriculture, as Australia does. But the question is, could we afford to take such a position? I think this branch was instituted under the Laurier government in 1908 and it has existed throughout the administrations respectively of Sir Robert Borden, the Union government, the government that succeeded that one, and now the present government. So that all parties, including my hon. friends opposite, have endorsed it. Either last year or the year before I remember making the very same statement I have made tonight, that as regards the usefulness of the institution as applied to the farmers I thought it was a dream. But I showed then, as I say now, that having committed ourselves to the

matter with the 60 other countries concerned we could not very well withdraw from the obligation we have assumed unless we gave sufficient notice of our intention to do so.

Mr. DOUCET: It does not take $15,000 to pay our subscription. Our share of the expenses of the British delegates to Rome amounted to something like $800; and $3,500 was the total representing our participation in the activities of the central institute. So that practically $9,000 has been expended in periodicals, printing and stationery. The staff is not included in this vote, nor was it included two years ago. And the minister claims that these periodicals are not a particle of use to the farming population.

Mr. MOTHERWELL: I did not say the bulletins were no good; I said the reports and the statistics that came out as a result of the compilations. But there are various bulletins besides those publications.

Mr. DOUCET: I quite agree with the minister, and in my statement I did not include the various bulletins printed and distributed by the Department of Agriculture. But I submit that the bulletins emanating from the statistical department and gathered in Rome are of no practical value to our farming population. If they are not, then $12,000 of this vote is uncalled for, and at the present time I believe the money could be spent to better advantage on other phases of agriculture.

Mr. MOTHERWELL: My hon. friend misquotes me. I did not say the bulletins contained no practical information. I said the statistics outlining the crops of the various countries, including our own, were not a determining factor in assisting farmers in their operations.

Mr. DOUCET: But if the statistics received from the International Institute are of no benefit to our farmers, how can the bulletins prepared from those statistics be of any value?

Mr. MOTHERWELL: Although we have received letters from Rome urging us very strongly to send our usual delegates, we have decided not to do so, and in consequence we have been keeping up our other obligations and securing information in the usual way for $5,000 less.

Mr. DOUCET: But in 1922-23 we sent two delegates, and the total expenditure was $14,259. As the minister has informed the committee that he does not propose to send delegates this year, I submit that $2,700

should be our contribution to the International Institute and $800 our portion of the expenses of the British delegates representing us at Rome. Those two items total $3,500. I submit that the balance of the vote is of no practical benefit to our agriculturists, as the minister himself has admitted.

Mr. MOTHERWELL: I am sure some members of the committee must recall the fact that I expressed the opinion that this institute was of very little practical value the very first year I was in this House. I am sure the leader of the Progressive party (Mr. Forke) and the hon. member for Saltcoats (Mr. Sales) must remember what I then said.

Mr. FORKE: Yes.

Mr. MOTHERWELL: There was not much response from the committee then. My opinion was the result of long years of keeping track of the work before I came here and of my ordinary horse sense—a sense with which most of us are endowed more or less and so know what is and what is not of value to the everyday practical farmer in the field. I admitted, however, when the other side of the case was presented that there was a larger international aspect which we must stand up for until we retire. Now the committee, I gather, would desire me to take this up with my colleagues and, if agreeable, notify Rome that this will be the last year that we will engage in this work. I will undertake to do so. That would be vindicating the opinion which I expressed when I came down here first.

Mr. SUTHERLAND: I am sorry the minister throws the responsibility for this vote upon the committee because they had confidence in what he terms his horse sense, which influenced him to recommend for this vote an increase of $5,000 two years ago, and another increase of $5,000 the following session. He surely was in a better position than any member of the committee to know the value of the work. Now he turns around and throws the responsibility on the committee for having passed the estimates which he submitted. The committee evidently had more confidence in the minister then, for they are disappointed to-night to hear him admit that he is a "doubting Thomas" and never had much faith in the practical value to be derived from this expenditure. I am surprised at a responsible minister making such an admission after having defended his estimates. I do not think there is anything further to be said in the matter.

Mr. MOTHERWELL: My hon. friend has recited it wrongly again.

Mr. SUTHERLAND: In what respect?

Mr. MOTHERWELL: In this respect. I pointed out that during the years of the war Canada got behind in its annual contribution to the institute. To pick that up we had to provide $5,000. We sent delegates to Rome two years ago; this year we are not sending them. In the meantime we are constantly being informed that the cost of operating the office has increased during the last three or four years, which accounts for the addition of last year. This year we have dropped back $5,000, because I have taken the ground that we are not going to send delegates. We are simply maintaining our obligations with Rome, and that is all. When my hon. friend says that I admit the expenditure is of no use, I would remind him that I said it only in a qualified way as applied to practical farming, which I have always distinguished from the international obligations that we have incurred.

Mr. DOUCET: I agree with the minister that we have to look at the international side of this question. The expenditure being of no practical use to our farmers, I move that vote 48 be reduced to $5,000. I submit this would provide for a contribution to the International Institute of Agriculture in Rome and our portion of the expense of the British delegates.

Mr. MOTHERWELL: We cannot pay our way with $5,000, that is all.

Mr. BOYS: It seems to me that the position taken by the minister is somewhat anomalous. He asks that this item be passed, and then he says he has no use for the work of the institute himself and never had. Surely if he has any faith in the item he ought to stand behind it, and ask the House to pass it. He can hardly expect the House to pass it when he says that it is practically money thrown away.

Mr. MOTHERWELL: I do not think that is fair. I have corrected the member for South Oxford at least three times; surely my hon. friend is not going to require me to repeat the correction three times more for his benefit. I never made an unqualified statement that it was of no use. I specified that it was of no use as a guide to individual farmers in their spring operations as to how much to sow to meet a possible shortage or to avoid increasing a surplus, and I believe that. Then I went on to show that there was

another side to it, the international side, to which we had committed ourselves. Surely my hon. friend has no desire to misrepresent me. I have been candid enough to tell the committee my own view, and that view has not changed since I came here from what it was ten years ago. I have had a larger view of the international side and its importance through our representation by the delegates we sent there; and naturally from the reports I have from my staff I can see that there is another side to it. We cannot drop out from international organizations in this and everything else; we have got to keep up our end of the stick or else retire honourably, and we cannot retire honourably without giving notice. I am willing to retire after this year if my colleagues are satisfied that that is the wise course to take, but not in this abrupt and irregular fashion. The very fact that the vote is $5,000 less than last year is an indication that we are doing what we can to reduce it and still keep faith with the institute.

Mr. GOULD: I think the minister would advise the committee that apart from the expenses of two delegates the expenditure is uncontrollable; it is assessed upon Canada by the institute at Rome.

Mr. MOTHERWELL: Absolutely.

Mr. GOULD: If that is the case I submit that we should in all honour notify the institute at Rome of what our intention is for next year. While I approve of reductions in expenditure, even to the point where it hurts, I do not think we wish to put ourselves in what might be termed a ridiculous position. I think we should express ourselves along the line of what has been said here and that the minister and his colleagues should see to it that due notification be given of the action we intend to take for next year.

Mr. MOTHERWELL: The hon. gentleman is quite right. The only controllable part of it was the $5,000, and we cut that out.

Mr. BOYS: I have not the slightest desire to misstate the minister's position; far from it. But he certainly did leave the impression on me that he himself had no use for the item.

Mr. MOTHERWELL: I object to that, Mr. Chairman.

Mr. BOYS: I am just saying I understood that, that is all; I am accepting what the minister says. I understand from what the minister says now that he is in favour of this item and wants to put it through.

Mr. MOTHERWELL: I do; otherwise it would not be here.

[Mr. Motherwell.]

Mr. BOYS: I shall not repeat what I understood the minister to say earlier in his remarks, but he certainly did leave that impression, I think, on the committee, and a good many members have made reference to it. If publications are being sent that we have not paid for, I certainly would not want to see this country refuse to pay for them, but I understand that we are paid up in full, and if that be so it seems to me that we can retire gracefully and honourably at this time.

Mr. MILLAR: I feel very much like the hon. member (Mr. Gould): it does seem that we cannot do less than pay our dues for the coming year, but after that I think we might withdraw. May I ask the minister whether the delegates who attend the conferences of the institute are men in the front rank in agricultural matters in the various countries? Are they capable of correlating their investigations and giving the various countries the benefit in that respect, or do they confine their operations almost entirely to statistics?

Mr. MOTHERWELL: We usually send a delegate over who can talk both French and English, because the business is conducted in both languages. Here are some of the activities of the institute:

The institute is an international agricultural intelligence bureau for the collection, elaboration and publication of technical, practical, economic and statistical information of interest to agriculturists, special prominence being given to crop reports, prices, visible supply, imports and exports, methods of cultivation, agricultural chemistry and botany, plant breeding, plant diseases, meteorology, forestry, live stock, agricultural industries, co-operation, insurance, credit, agricultural organization and administration.

The matter of co-operative activities was the primary thing that David Lubin had in mind, because he was a strong advocate of co-operation.

The institute publishes three regular bulletins:

(a) International Review of the Science and Practice of Agriculture, which might be called a review of reviews of agriculture, its material being abstracted from some 2,600 periodicals from all countries and in many languages.

(b) International Review of Agricultural Economics, which deals with co-operation, credit, farm management, and other economic questions relating to agriculture.

(c) International Crop Report and Agricultural Statistics, which contains official reports of crop conditions and estimates of the area and production of all important crops, as well as statistics of international trade, prices of agricultural products, numbers of live stock, etc. Yearly statements of the production of and trade in fertilizers and concentrated feeding stuffs are published. In the English edition the data for area and production are given in acres and centals, and in the case of wheat the production is shortly to be given in bushels of 60 pounds.

The institute also publishes every year the International Year Book of Agricultural Legislation con-

taining references to or summaries of the laws and regulations relating to agriculture, passed in the various countries. The International Year Book of Agricultural Statistics, hitherto published every two years, will now be published yearly. It is recognized to be the most complete work on the subject published. The last issue covers 1921-1922. The preceding one covered the years 1909-1921.

Besides these periodical works, there have been published a great many publications such as Monographs on Agricultural Co-operation in Various Countries; An Outline of the European Co-operative Credit System; The Utilization of Waste Materials; Oil Products and Vegetable Oils; The Landschaften and Their Mortgage Credit Operation in Germany; Rural Credits in Canada; Co-operation for the Marketing of Agricultural Products and the Supply of Farm Requisites in Canada, etc., in all about 30.

The Canadian office. The purpose of the Canadian office is to reproduce the essential features of the institute's work at Rome so as to adapt it to Canadian needs and ensure that it shall exert a direct influence on Canadian agriculture.

That is the phase of it in respect to which I have always expressed myself as a "doubting Thomas," that is, the matter of its direct influence on Canadian agriculture. When the hon. member for Saltcoats asked me a straight question as to what my opinion was, what could I do but tell him? And I told him. But that was only regarding agriculture; as to all these other different phases of the work I did not express that opinion. From the international point of view I believe that we have been justified up to the present in continuing our connection with the institute, but not as directly affecting agriculture in Canada—and by that I mean the guiding of the farmers in conducting their spring operations and fitting the acreage into the reports of the institute.

Mr. SALES: Will the minister allow another question?

Mr. MOTHERWELL: Well, that one got me into so much trouble that I do not know whether I should.

Mr. SALES: I will see if I can get the minister into some more. If it does not benefit the farmer, whom does it benefit? Does it benefit anybody else?

Mr. MOTHERWELL: I think a whole lot of this information does benefit the farmers. A great many of these things we have been discussing interminably right here in this House, and probably we will work some of them out to fruition. On the question of co-operation the Sir Horace Plunkett foundation is to-day asking men from all over the world to assemble in Great Britain to consider co-operation as applied to agricultural products. My hon. friend is, of course, aware that Sir Horace Plunkett is one of the foremost men in the world on the question of co-operation among farmers in Ireland and throughout Great Britain. That is not a dead question by any means. It is one of the questions referred to here, and it is a very live question. So, after all, there are a great many sides to agriculture besides simply getting the information that is supposed to be necessary in order to determine the extent of our activities in any one particular year, based on statistical reports. So far as that particular feature is concerned, I do not think it is worth anything. I hope I have not left the impression on the House that I think no phases of this work are any good. There are disadvantages in being candid.

Mr. FORKE: I think the minister went a little too far in making that statement. The information might be of service if it showed there was going to be a tremendous acreage of wheat put in all over the world.

Mr. MOTHERWELL: It sounds fine in theory, but like so many other things that are good in theory it does not work out in practice. I am sure when my hon. friend was home at Easter he was not doing any figuring based on this report.

Mr. FORKE: I told them not to put in so much wheat, but to put in more oats and barley.

Mr. MOTHERWELL: But that was because of the rust. There is another page and a half here describing further activities; I do not know whether the committee wishes me to read them.

Mr. MILLAR: Have any of the experts that Canada has been sending over in past years been in the forefront in any branch of agriculture?

Mr. MOTHERWELL: I think we will have to admit that the very first one that went over, the Hon. Sydney Fisher, left his mark on agriculture in Canada. The late Doctor Rutherford, at one time Veterinary Director General, and later a member of the Railway Commission, was an outstanding man in the agricultural world.

Mr. FORKE: Was Doctor James Robertson over there?

Mr. MOTHERWELL: No, it was Doctor Rutherford that went over. I have not the pleasure of the acquaintance of Doctor Charron, but I understand he is quite a prominent man. Then there was Mr. Wilson; I am sure my hon. friends from Saskatchewan know the part he has played in developing the dairy industry in that province.

Amendment negatived.

Item agreed to.

Live stock, $1,280,000.

Mr. STEVENS: This is a large and very important item. I think many members had no knowledge that these estimates were coming up to-night and I would suggest that this item stand.

Mr. GRAHAM: It is not our fault.

Mr. STEVENS: It is not our fault.

Mr. MOTHERWELL: I think my hon. friend was not present at the time, but before we started at all I went over to the right hon. leader of the opposition and asked him if the hon. member for Victoria (Mr. Tolmie) was in the House, and he said no, and I passed over the vote for the Health of Animals branch without being requested to do so. I thought I was doing very nicely.

Mr. STEVENS: Then let us have an understanding that on the item for the Health of Animals we can discuss anything, if some other item is to be taken up.

Mr. MOTHERWELL: We are leaving that item over.

Mr. FORKE: In regard to going on with estimates to-night, I would point out that two members in this part of the House spoke one after the other, so it was not the fault of this part of the House that the budget debate was not proceeded with.

Mr. MOTHERWELL: I am surprised at my hon. friend drawing attention to the fact that they are petering out on the budget debate and then asking us to adjourn.

Mr. STEVENS: I made no such statement. I made a courteous suggestion that this item is a very large one, and that a great many members did not understand that these estimates were coming on to-night. I made no reflections regarding the budget debate not being continued.

Mr. MOTHERWELL: I think we might meet my hon. friend, in view of the hour.

Mr. STEVENS: Personally I have no objection to discussing other items, but this is a very large and important item.

Mr. BOYS: I just want to say one word in connection with the debate. I want to give the government and my hon. friend the minister credit for going on with the estimates to-night, but at the same time I do not want for one moment to have the impression left that it has been due entirely to the group of which I form one. It is only fair to say, and I think we all understand it, that the work of the committee dealing with church union has more or less upset things, and Friday is always a bad day. There has not been a speaker on the government side to-day supporting the budget; we have had some speakers. As a matter of fact, the Progressives only had one before six o'clock. It is true that one came on later, and for that I want to give them credit too. There was to some extent a collapse all round, if it comes to the fine thing. We want to be fair about it. It is due to unusual circumstances, not to this group or any one group. There has been perhaps more interest taken in church union this week than in the budget. The whole proposition is about fifty-fifty, and I as Whip of this party want to give credit to the government for the way they have met the situation. but I do not think we should be blamed in that connection at all.

Mr. LEADER: Seeing that the budget debate has petered out, I would suggest that we take a vote on the budget now.

Mr. BOYS: We are not dealing with the budget now.

Mr. MOTHERWELL: Out of deference to the hon. member for Victoria (Mr. Tolmie) who is absent, and who is interested in this vote also, I move that the committee rise and report progress.

Item stands.

Progress reported.

On motion of Mr. Graham the House adjourned at 10.54 p.m.

Monday, May 12, 1924

The House met at three o'clock.

BUDGET AMENDMENTS

CUSTOMS TARIFF AND SPECIAL WAR REVENUE —RESOLUTIONS

Hon. J. A. ROBB (Acting Minister of Finance): I beg to submit, Mr. Speaker, certain resolutions affecting the customs duties and the War Revenue Act.

The resolutions presented by Mr. Robb are as follows:

CUSTOMS TARIFF

1. That Resolutions No. 1 of April 30th, 1924, relating to amendments to Schedule A to The Customs Tariff, 1907, be amended by adding thereto the following provision:

That the said resolution be amended by striking out tariff items 456a and 502c, the several enumerations of goods respectively and the several rates of duties of customs, set opposite each of said items, if any, and by substituting therefor the following items, enumerations and rates of duty:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
453d	Steel dies, of a class or kind not made in Canada, valued at not less than one thousand dollars each, for use exclusively in stamping metal sheets or metal plates. Provided that such dies shall be exported from Canada under Customs supervision within three months from the date of import duty.....	Free	Free	Free
456a	Ingot moulds for use in the production of steel.....	Free	Free	Free
502c	Wood handles or stems for handles, not further manufactured than turned, when imported by manufacturers of goods enumerated in tariff items 448, 449 and 450 for use exclusively in the manufacture of goods enumerated in said items..	Free	Free	Free

2. That Resolution No. 3 of April 30th, 1924, relating to amendments to Schedule B to The Customs Tariffs, 1907, be amended by providing that the following item, enumerations and rate of drawback of Customs duties be inserted in said Schedule B:

Tariff Item	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty of Dumping Duty) Payable as Drawback
1044	Fire brick.....	When imported by manufacturers of iron or steel for use exclusively in the construction or repair of a blast furnace, open hearth furnace or rolling mill furnace.....	99 p.c.

SPECIAL WAR REVENUE

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act and amending acts and to provide:

1. That a refund of the consumption or sales tax may be granted on imported goods which are free of customs duty and which are found not to be according to order, provided such goods are exported under customs supervision within three months from the date of the customs entry.

2. That resolution number two of the 30th April, 1924, respecting additions to the list of excepted articles not liable to the consumption or sales tax, be amended by adding after the item "printed text books authorized by the Department of Education of any Province in Canada" the following words:

"and materials used exclusively in the manufacture or production thereof;"

and that customs tariff item 453d be added to the said list of excepted goods.

3. That any enactment founded on paragraph one of this resolution shall come into force on the 1st day of July, 1924.

REDISTRIBUTION BILL

Hon. E. M. MACDONALD (Minister of National Defence): I move that the first report of the special committee to which was referred Bill No. 2, to readjust the representation in the House of Commons, be concurred in.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): This report, as I recall it, merely provides for printing, does it not? Or does it provide as well that the committee shall sit when the House is in session?

Mr. MACDONALD (Pictou): It gives power to the committee to print, when the committee may deem it advisable, certain portions of its deliberations. We have been asked to hear representations from the provinces of New Brunswick and Nova Scotia regarding the possible reduction of their representation, and the committee felt that it would be desirable to have available a report of whatever their case might be. It is not intended to print continuously every bit of the deliberations of the committee in meeting, but of course we shall want to have power ultimately to have the proceedings printed when we come to deal with the report. In the second place, we are asking that leave be given the committee to sit while the House is in session. The report was concurred in unanimously by all members of the committee and I have no doubt that the House feels, as did the committee, that every facility should be provided for proceeding

with a speedy consideration of the bill and the report thereon.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS—MELFORT NORTHEASTERLY

Hon. GEORGE P. GRAHAM (Minister of Railways): With the unanimous consent of the House, Mr. Speaker, I move that the order:

House in committee on Bill No. 40, respecting the construction of a Canadian National railway line to mile 41 of the Melfort branch near Nipawin in the province of Saskatchewan.

—be discharged and that the bill be referred back to the select standing committee on Railways, Canals and Telegraph Lines for further consideration. There seems to be some misunderstanding as to the amendment made in committee to this bill, and I think the easiest way of dealing with it is to refer it back.

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

Some hon. MEMBERS: Carried.

Motion agreed to.

SOLDIERS' CIVIL RE-ESTABLISHMENT

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-Establishment) presented the second interim report, Part II., of the investigations of the Royal Commission on Pensions and Civil Re-establishment. He moved:

That 700 copies in the English language and 300 copies in the French language of the said report be printed forthwith and that rule 74 in relation thereto be suspended.

Motion agreed to.

UNITED CHURCH OF CANADA

Petitions were presented from certain members of the following congregations, severally praying that the proposed legislation incorporating the United Church of Canada be not enacted.

Of M. R. Matheson and others, of Granum, Alberta, Members and Adherents of Jumbo Valley Presbyterian Church,—Mr. Stewart (Argenteuil).

St. Aandrew's Presbyterian Church; St. Aidan's Presbyterian Church; St. Stephen's Presbyterian Church, all of New Westminster, B.C.—Mr. McQuarrie.

Petitions were presented from certain members of the following congregations and bodies severally praying that the bill now before the House to incorporate the United Church of Canada be passed during the present session:—

McLeod Street Methodist Church, Ottawa, Ont.; United Presbyterian and Methodist Churches, Minden, Ont.; Gertrude M. Date and 45 others, of Montreal, Quebec; Central Methodist Church, Stratford, Ontario; Margaret Kerfoot and 135 others, of Prescott, Ontario; Community Church, Montreal East, Quebec; St. Andrews United Church, Wolfville, N.S.; Methodist Church, Bowmanville, Ont.; Methodist Church, Kincardine, Ont.—Mr. McTaggart.

Calvin Presbyterian Church, Rathwell, Manitoba; Presbyterian Church, Arcola; Methodist Church, Victoria, B.C.; Presbyterian Church, Stoney Mountain, Manitoba; Union Church, Trout Creek; Methodist Church, Esquimalt, B.C.; Presbyterian Church, Mission City, B.C.; Metropolitan Methodist Church, Victoria, B.C.; United Church, Comfort, Alberta; Union Congregation, Aneroid, and other places Sask.—Mr. Lewis.

Congregational Church, Calgary, Alberta; Methodist Churches, Manotick, Kars and Osgoode, Ont.; Union Churches, Sheho and Tuffrell, Sask.; Methodist Church, Carman, Man.; Union Church, Strongfield; Methodist Church, Rosetown, Sask.; Union Church, Lemberg; Methodist Church, Richmond, Ont; United Church, Craigmyle, Alta; United Church, Milestone, Sask.; Methodist Church, Quebec; Kensington Church, Montreal; Union Church, Rivers, Man.; Methodist Church, Gagetown, N.B.; Methodist Church, Raleigh, Township; United Presbyterian and Methodist Church, Leland, Perth Road and Opinicion, Ont.; Empress Avenue Methodist Church, London, Ont.; Methodist Churches, Union and Port Stanley, Ont.; Methodist Church, Exeter.—Mr. Pritchard.

PRIVATE BILLS

FIRST READINGS

Bill No. 98 (from the Senate), for the relief of Antonio Pietranglo."—Mr. Sheard.

Bill No. 99 (from the Senate) for the relief of Ella Vear.—Mr. McQuarrie.

Bill No. 100 (from the Senate) for the relief of Anna Welton.—Mr. Sheard.

Bill No. 101 (from the Senate) for the relief of Marjorie Mahaffy Cox.—Mr. Kay.

Bill No. 102 (from the Senate) for the relief of Mary Elizabeth Milne.—Sir Henry Drayton.

Bill No. 103 (from the Senate) for the relief of Georgina Myrtle Potts.—Mr. Mewburn.

Bill No. 104 (from the Senate) for the relief of Guy Barrington Hutchings.—Mr. Spence.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

ROOFING MATERIAL—FIRE PREVENTION

Mr. PARENT:

1. Was a technical inquiry held under the supervision of the Government Insurance Branch as to the protection different grades of roofing material offer against fire?
2. If so, on what date and in which province?
3. By whom, and what witnesses were heard?
4. At what conclusions did said inquiry arrive?

Hon. Mr. ROBB:

1. A technical investigation is being made into the merits of the various forms of roofing materials from the standpoint of fire prevention
2. The investigation was commenced several months ago and is proceeding.
3. The committee is composed of Professors H M. Mackay, R. DeL. French and F. M. G. Johnson, of McGill University, and the inquiry will consist mainly of experimental test rather than evidence of witnesses.
4. No conclusions have been reached as the investigation is not complete.

NATIONAL STEEL CAR COMPANY

Mr. DOUCET:

1. Is the National Steel Car Company a Canadian concern and where is it located?
2. Is the Eastern Car Company a Canadian concern, and where is it located?
3. Is the Pressed Steel Car Company a Canadian concern, and where is it located?

Hon. Mr. COPP:

1. National Steel Car Corporation, Limited, is a Canadian concern; Head office at Hamilton, Ont.
2. Yes, Head office at New Glasgow, N.S.
3. Imperial Steel & Wire Company, Limited, formerly The Pressed Steel Car & Wheel Company, Limited, is a Canadian concern incorporated by the provincial government of Ontario, Head office at Perth, Ontario.

FERRY BOAT HIAWATHA

* Mr. JONES:

1. How many passengers were carried by the ferry boat Hiawatha during the past year between Abercrombie and Pictou, in the county of Pictou, Nova Scotia?
2. How much freight was carried during the same period by the same boat?
3. What were the passenger receipts for the same period by the same boat?
4. What were the freight receipts for the same period by the same boat?

Right Hon. Mr. MACKENZIE KING: Mr. Speaker, this question, I think, has been asked under a misapprehension. The government is not subsidizing the steamship company referred to, and therefore has no information to furnish.

DORCHESTER PENITENTIARY—WARDEN

Mr. DOUCET:

1. Has an appointment been made to the position of warden at Dorchester penitentiary, New Brunswick?
2. If so, what is his name?
3. If not, who is acting?
4. How long has the acting warden been in the service and is he qualified for position of warden?
5. When did the position become vacant?
6. When does the government propose making an appointment?

Hon. Mr. LAPOINTE:

1. No.
2. Answered by No. 1.
3. Geo. T. Goad.
4. In the service for almost four years; the decision as to his qualifications is committed to the Civil Service Commission.
5. 1 January, 1924.
6. The appointment rests with the Civil Service Commission.

THE TRANSCONTINENTAL, AND CANADIAN OCEAN PORTS

Mr. MacLAREN:

What steps have been taken to carry out the provisions contained in the National Transcontinental Act 1903, chapter 71, paragraph 45, regarding the arranging for and providing shipping connections for inward and outward traffic at Canadian ocean ports?

Hon. Mr. GRAHAM:

The company named in the section of the National Transcontinental Act referred to was the Grand Trunk Pacific Railway Company. Under said paragraph 45, it agreed to operate steamships out of Canadian Atlantic and Pacific ports in connection with the company's railway projects. However, the company failed to carry out its agreement to lease the Transcontinental and afterwards ceased to operate the Grand Trunk Pacific, now in receivership. As the operation of these roads has had to be assumed by the government, in default, the provisions of the clause have no longer any element of contract. While not a matter of contract, the development of

Canadian ports is, nevertheless, the basic policy of both the Canadian National Railway management and the Canadian government.

CANADA COLONIZATION ASSOCIATION

Mr. COOTE:

1. What was the number of families brought to Canada during the year 1923-24 by the Canada Colonization Association?
2. What amount was paid to the Canada Colonization Association during the said fiscal year, by the government?
3. What amounts were paid to the said association by other parties during the said fiscal year?

Hon. Mr. ROBB:

1. Thirty-five settlers; no record as to actual number of families.
2. $100,000.
3. $100,000, borne equally by the Canadian National and the Canadian Pacific railways. No information as to other grants.

CANADIAN GOVERNMENT MERCHANT MARINE —WAGES

Hon. Mr. STEVENS:

What monthly rate of wages has been paid to firemen and sailors on the Canadian Government Merchant Marine ships on the Pacific during years 1921-22-23?

Hon. Mr. GRAHAM:

Coastal Service—1921, first two months of operation August to October $60 per month; October to December $67.50 per month. 1922, $67.50 per month. 1923, $67.50 per month.

Australian and Oriental service—1921, January to July, $75 per month; July to December, $60 per month; 1922, $60 per month; 1923, $60 per month.

Vancouver—U. K. Service—1921, commenced operation November, 1923, $60 per month.

CANADIAN APPLES—AUSTRALIAN EMBARGO

Mr. MacKELVIE:

In connection with negotiations between this government and that of Australia regarding trade arrangements, has this government made any request that Australia remove its embargo on Canadian apples?

Hon. Mr. ROBB: Yes.

HEBRIDEAN IMMIGRANTS

Mr. SPENCER:

1. How many Hebrideans entered Canada in 1923 and 1924?
2. How many of these were placed on farms?
3. How many are now on farms?
4. For what number of these immigrants did the government advance passage money?
5. What was the total amount advanced?
6. How many of these immigrants have repaid passage money advanced to them, and what is the total amount?
7. How many are in arrears for repayment of passage money?
8. How many Hebrideans, who came to Canada in 1923 and 1924, have emigrated to the United States?
9. Were any of these still in debt to the government for money advanced for their passage? If so, how many, and what is the aggregate amount outstanding?

Hon. Mr. ROBB:

1. 580—(exclusive of two parties of Hebrideans who were brought out under the auspices of the Ontario government).
2. All placed on farms except four families, two of whom are now arranging to go on the land.
3. All who were originally placed.
4. All of the party brought in 1923, namely 291. The complete report of the 1924 party numbering 289 persons, has not yet been received.
5. The amount advanced for the 1923 party was $26,098.39, of which $16,311.49 was refunded by the British government, leaving $9,786.90 as the federal government's share of the loans.
6. None.
7. Answered by No. 6.
8. None of the Hebrideans who came under Dominion government direction in 1923 and 1924.
9. Answered by No. 8.

MR. THOMAS SHANKS

Mr. GRIMMER:

1. Is Mr. Thomas Shanks an employee of the Department of the Interior, and if so, what position does he occupy?
2. Was he promoted from the position of Assistant Surveyor General of Dominion Lands, to the position of Assistant Director General of Surveys in said department? If so, when and by what authority?
3. What is the salary range attached to such positions respectively?
4. Has the said Mr. Thomas Shanks discharged the duties of Assistant Director General of Surveys since his promotion to said position? If not, who is discharging same?
5. Is the said Thomas Shanks in receipt of the salary attached to the position of Assistant Director General of Surveys, and if so, from what date has he received same?

Hon. Mr. STEWART:

1. Yes; Assistant Director General of Surveys.
2. Yes; October 1, 1923, promotional certificate from the Civil Service Commission.
3. The position of Assistant Surveyor General has been abolished; the salary range of Assistant Director General of Surveys is $3,900-$4,800.
4. Yes.
5. Yes; October 1, 1923.

CANADIAN NATIONAL RAILWAYS—TORONTO AND NAPANEE

Sir HENRY DRAYTON:

What, if any, duplication of tracks and railway services have the Canadian National Railway system been able to remove between Toronto and Napanee?

Hon. Mr. GRAHAM: The former Canadian Northern tracks between Brighton and Cobourg have been taken up. A saving since June, 1920, of 42,627 passenger train miles per annum has been effected and offices of the two lines at the following places have been consolidated: Toronto, Oshawa, Port Hope, Cobourg, Grafton, Colborne, Brighton, Trenton, Belleville, Napanee.

CANADIAN NATIONAL RAILWAYS—SCRIBE HOTEL

*Sir HENRY DRAYTON:

1. Has the government investigated the accuracy of the statement that the Scribe Hotel was offered for sale to the Canadian Pacific Railway Company at a price less than $1,400,000 but refused by that company?
2. If the said statement has been found to be inaccurate, was the Canadian Pacific Railway Company asked to consider the purchase of the said hotel, and at what price?

Hon. Mr. GRAHAM: Mr. Speaker, the government has no information concerning the rumour contained in this question.

INTERNATIONAL JOINT COMMISSION

Mr. CASGRAIN:

1. What has been the total expenditure of the Joint International Commission from its inception to the 31st of March, 1924?
2. What are the names of the three first commissioners nominated by the Laurier government?
3. Why were three other commissioners appointed by the Imperial government?
4. What are the names of the three commissioners who were first appointed by the Imperial government?
5. Is the government aware that since the resignation from the said commission of Judge P. B. Mignault, now judge of the supreme court, that the province of Quebec has had no representation on this commission?
6. Is it the intention of the government to give the Province of Quebec representation on this commission?
7. If so, when?

Right Hon. Mr. MACKENZIE KING:

1. $582,818.97.
2. Sir George Gibbons; Alexander P. Barnhill; Aimé Geoffrion.
3. Nominees named in answer to question 2 above had not been appointed by the Imperial government when the Laurier government went out of office in 1911, and different names were submitted to the Imperial government for appointment by the incoming Borden government.
4. Hon. T. Chase Casgrain; Charles A. Magrath; Henry A. Powell, K.C.
5. The present Canadian membership of the International Joint Commission is as follows: Charles A. Magrath, Chairman; Henry A. Powell, K.C.; Sir William Hearst, K.C.M.G.

Hon. T. Chase Casgrain resigned from the commision on his appointment as a minister of the Crown and was succeeded by Hon. Mr. Justice Mignault. The latter resigned from the commission on appointment to the Supreme Court of Canada. His place on the Commission was subsequently filled by the appointment of Sir William Hearst, K.C.M.G.

6. The matter is under consideration.
7. Answered by the answer to No. 6.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WIRELESS STATIONS—DAWSON AND MAYO

Mr. BLACK (Yukon):

1. What was the total cost of installing each of the government wireless stations at Dawson and at Mayo, Yukon Territory, in 1923?
2. What has been the cost of operating and maintaining each of said stations since its installation?
3. How many employees are engaged at each of said stations and in what capacities?
4. What has the revenue been from each of said stations since its installation?

COMMISSIONS OF INQUIRY

Mr. LEADER:

1. How many commissions of inquiry were appointed by the Laurier government?
2. What was the total cost of these commissions?
3. What were the names of the counsel employed by the government?
4. What was the total remuneration paid to each?

Mr. LEADER:

1. How many commissions of inquiry were appointed by the Borden government?
2. What was the total cost of these commissions?
3. What were the names of the counsel employed by the government?
4. What was the total remuneration paid to each?

Mr. LEADER:

1. How many commissions of inquiry were appointed by the Meighen government?
2. What was the total cost of these commissions?
3. What were the names of the counsel employed by the government?
4. What was the total remuneration paid to each?

Mr. LEADER:

1. How many commissions of inquiry were appointed by the present government?
2. What was the total cost of these commissions?
3. What are the names of the counsel employed by the government?
4. What was the total remuneration paid to each?

DOMINION PUBLIC BUILDING, ARNPRIOR

Hon. Mr. STEVENS:

1. Was the Dominion public building at Arnprior repaired during the year 1923?
2. If so, by whom was the work performed: (a) repairs to foundations; (b) painting, plastering, decorating, etc.?

3. If tenders were called for, was it by public advertisement and if so, in what papers did the advertisements appear?

4. What tenders were received and from whom, and to whom was the contract granted?

5. Was the said building rewired and did the contractor give a subcontract for this work?

6. Was there the usual inspector appointed by the Public Works department in connection with this work and if so, whom?

HECTOR CELEBRATION, PICTOU

Mr. BLACK (Halifax):

1. What amount was appropriated by the government for the Hector celebration at Pictou, Nova Scotia, during the summer of 1923?

2. What extra amount, if any, was appropriated for this celebration by the Department of National Defence?

3. Has the government received a statement of the expenditure of this money?

4. If so, for what was the money used?

DEPARTMENT OF AGRICULTURE—EMPLOYEES

Mr. SUTHERLAND:

1. What were the total number of employees, and the total salaries paid such employees on Janunary 1st, 1922, and also January 1st, 1924, in the following branches of the Department of Agriculture, giving the total number employees and salaries for each branch, respectively, a) Civil Government both Permanent and Temporary; (b) Agricultural Instruction; (c) Entomology; (d) Dairy General; (e) Cow Testing; (f) Finch Creamery; (g) Extension of Markets; (h) Destructive Insect and Pest; (i) Production and Sale of Tobacco; (j) Fruit Industry; (k) Contagious Diseases; (l) Meat and Canned Food Division; (m) Live Stock Industry; (n) Seed Control?

2. Has there been one or more new branches added to Department of Agriculture since January 1st, 1922.

3. If so, what are names of same, and what number of employees in each branch or branches so established in detail same as Question No. 1?

Hon. Mr. MOTHERWELL: Pass as an order for return.

Mr. SUTHERLAND: Mr. Speaker, this is a very simple question and should not entail more than a few hours' work on the part of the department. I put the question on the order paper because of my inability to get the information from the department.

Hon. Mr. MOTHERWELL: My officers tell me that it will take ten days or two weeks to get this information.

PENSION BOARD MEDICAL ADVISERS

Mr. ROSS (Kingston):

1. Who are the Medical Advisers of the Pension Board?

2. What is the War Record of each?

3. Who are the Medical Advisers of the Federal Appeal Board?

4. What is the War Record of each?

5. What has been the Special Training of the Neurologists of the Boards?

[Mr. Stevens.]

UNOPPOSED MOTIONS FOR PAPERS

HECTOR CELEBRATION, PICTOU

Mr. DOUCET:

For return showing the detailed expenditure of the money voted by parliament of Canada at the last session for the Hector celebration at Pictou, Nova Scotia.

STAFFORD R. RUDD AND COMPANY

Hon. Mr. STEVENS:

For a copy of all correspondence, telegrams, and other documents, exchanged between the Minister of Public Works, or any official of his department, and Stafford R. Rudd and Company, and the chairman of the Liberal committee of Arnprior and others.

MOUNTED POLICE—SMITH INVESTIGATION

Mr. STEVENS:

For a copy of all letters, telegrams and other documents passing between the Minister of Justice and Attorney General of British Columbia, or any member of the government of British Columbia, and any member or official of the Dominion government, having reference to certain charges made against the officers of the Royal Canadian Mounted Police and investigated by Commissioner Smith, and also a copy of the report of the said commissioner.

BRITISH COLUMBIA FISHERIES OFFICE

Mr. STEVENS:

For a copy of all letters, telegrams and other documents, passing between the Minister of Marine and Fisheries, or any official of the Department of Marine and Fisheries, including Inspector Halliday of New Westminster and the member for Chilliwack and member for Skeena, or any other member of the Dominion House, relating to the removal of the fisheries office from Vancouver, or the position of the Chief Inspector of Fisheries in British Columbia.

NARCOTIC DRUGS—BRITISH COLUMBIA

Mr. STEVENS:

For a copy of all letters, telegrams and other documents, passing between the Minister of Justice, Deputy Minister of Justice or any official of the Department of Justice, or Prime Minister or any official in the office of the Prime Minister, and M. A. Macdonald, K.C., W. W. B. McInnes, regarding the appointment of a commissioner to inquire into alleged improper handling of drugs by the Royal Canadian Mounted Police in British Columbia

Mr. STEVENS:

For a copy of petition forwarded to the Minister of Justice on behalf of one, C. W. Monk, convicted in January, 1923, for illicit dealing in narcotic drugs.

Mr. STEVENS:

For a return showing a statement of amount of cocaine or other narcotic drugs seized in British Columbia under the authority of the Royal Canadian Mounted Police and the disposition of the same, during the years 1920 to 1924, inclusive.

MOUNTED POLICE—VICTORIA

Mr. STEVENS:

For a return showing the names of the members of the Royal Canadian Mounted Police, Victoria detachment, who have (a) left the service; (b) been removed; (c) been dismissed; showing the reasons for termination of services.

QUEBEC POST OFFICE

Mr. PARENT:

For a copy of all letters and other documents in possession of the Department of Public Works relating to the claims of the contractor for payments of the cost of work necessitated by the building of the post office in the city of Quebec.

CANADIAN NATIONAL RAILWAYS—INCOME STATEMENT

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition) moved:

For a return giving copy of official income statement, December, 1923, and March, 1924, of the Canadian National Railways which statements include data from the commencement of 1923 and 1924, respectively.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I had hoped to embellish my few remarks on the year's business of the Canadian National Railways by the production of this information. Perhaps my right hon. friend will allow me to do that.

Mr. MEIGHEN: I never observed that the hon. minister's remarks needed embellishment in any way; frequently they are lacking in information. I do not like to rob him in advance of his material. I presume it would be possible for me to get it myself. I have no desire to make public his speech, though, before the great day.

Mr. GRAHAM: I will get my right hon. friend a copy.

Mr. DEPUTY SPEAKER: Motion dropped.

OPIUM AND NARCOTIC DRUG ACT—MOIETIES PAID

Hon. H. H. STEVENS (Vancouver Centre) moved:

For a return showing particulars of all moieties paid through the office of the Royal Canadian Mounted Police in Vancouver and Victoria, in connection with the administration of the Opium and Narcotic Drug Act, setting forth to whom paid and date of payment.

Hon. ERNEST LAPOINTE (Minister of Justice): I am compelled to oppose this resolution. The administration of the Opium and Narcotic Drugs Act is already a very difficult task. The persons engaged in that traffic are shrewd, powerful and unscrupulous, and if the information asked for by this resolution is given it will make the work of the police more arduous and subject those who give the information to acts of revenge. The passing of the motion is objectionable also on many other grounds. I may say that I object also to the passing of notices of motion No. 9 and No. 10, standing in the name of the hon. member for Vancouver Centre (Mr. Stevens). Perhaps it would be better to let these stand.

Mr. DEPUTY SPEAKER: Stand in the absence of Mr. Stevens.

JETTIES AT VANCOUVER

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): I have a very urgent telegram from grain men of the West with regard to the completion of Nos. 1 and 2 jetties at Vancouver, the construction of which has been under way. The message states that unless the necessary moneys to complete these jetties are not forthcoming immediately, these facilities will not be available for the coming crop in October, and that that would greatly minimize the working capacity of elevator No. 1 and would make No. 2 of little use except for storage. I would like to inquire whether the completion of these jetties is being delayed.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): This is the first time the matter has been brought to my personal attention. I will make inquiries of officers of the department and give my hon. friend all the information I can.

THE BUDGET

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

The House resumed from Friday, May 9, the debate on 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 on Ways and Means, and the proposed amendment thereto of Mr. Woodsworth.

Hon. A. B. COPP (Secretary of State): Mr. Speaker, the debate on the budget has proceeded for something over four weeks and is to continue, I understand, for some days, but I feel that the question is one of such great importance not only to Canada as a whole but also to each of the respective provinces that as a representative of one of the provinces in the Maritime group I should take up a little time this afternoon in making a few observations in reference to the situation as it appeals to the people in my part of the country.

Before doing so, may I be permitted to associate myself with those on both sides of the House who have offered their hearty congratulations to my hon. friend and col-

league the Acting Minister of Finance (Mr. Robb) who delivered the budget speech on the 10th of April last. I am sure that irrespective of our agreement or otherwise with the contents of the budget we have all been impressed by the splendid example given by the acting minister in the bevity and conciseness of the annual financial statement he presented, a statement which, I am very glad to know, has been well received by the country from the Atlantic to the Pacific.

I cannot refrain, Sir, from also joining with my friends in expressing the deep regret we all feel at the absence from parliament this session, both from the councils of the government and from the work of the House generally, of the right hon. Minister of Finance (Mr. Fielding) and the former Minister of Justice (Sir Lomer Gouin). I am sure the Minister of Finance would have been delighted had he been able to be with us and present this budget, and be able at the same time to announce to the people of Canada, as he was in the very fortunate position of being able to do many times in the past, a surplus in the finances of this country—this being the first surplus since the year 1914. He would have also been very glad, in addition to announcing that surplus to be able to announce that we had reduced the public debt of this country, marking a return to the old-time Fielding surpluses of days gone by.

One cannot discuss the fiscal policy of this country without taking into consideration the very many difficulties that present themselves in governing a country such as Canada. All countries have their difficulties, and we have had our share undoubtedly during the past few years, since the armistice that concluded the Great War and during the period of re-establishment. Canada, as we all know, is a very extensive country, extending from the Atlantic to the Pacific, a territory long in range and narrow in extent, sparsely populated, and falling into what might be called four natural divisions. We have in the Maritime provinces, one of the old parts of confederation, a country small in area and composed principally of agriculturists, lumbermen, fishermen and miners, a little mining being done in Nova Scotia but not much in comparison with its other industries. Then we come to the old provinces of Quebec and Ontario, and while they are also interested in agriculture and forestry, they are much more interested in manufacturing than are the Maritime provinces. Then we go to the middle West and we find practically the whole population interested in agriculture. Further west, in British Columbia, we find the people engaged in agriculture, forestry and mining. When we consider the chief interests of the different portions of Canada, and how they vary with the different sections of this country from sea to sea, we can realize how difficult it is to arrange a fiscal policy that will suit all portions of the Dominion. We must examine into the requirements of the different parts of Canada, and then endeavour, so far as we are able to meet the conditions in the different sections of the country, having in mind always the interests of the country as a whole

The responsibility of propounding and carrying into effect fiscal policies that are best applicable to a country such as Canada is one that is fraught with many difficulties. My hon. friends opposite have learned that to their sorrow. During the war period we all know that our whole time and attention were taken up in doing our part towards winning the war, and after the armistice and the conclusion of the war the duty rested upon my hon. friends opposite to take up the work of government and of re-establishment. I have no doubt that they grappled with those questions the best they could, but apparently, judging by the election returns of 1921, the people of this country were not satisfied with the way in which they had carried out their task. We realize that this responsibility has been handed over to us for the time being, and we have been giving these questions particular attention and very careful study during the past two years, and we have thought fit to bring before parliament at the present time some changes in the tariff and the fiscal policy of this country, for the consideration of parliament. The fiscal policy is a question that is always fraught with a very great deal of difficulty and differences of opinion. However, after giving this matter very careful study, we have taken the responsibility of placing before parliament the budget proposals which we are now asking it to accept. A great deal of opposition has risen in a certain quarter of this chamber in regard to these proposals, and I was delighted as I listened on Friday evening to the very excellent speech delivered by my hon. friend from Vancouver Centre (Mr. Stevens). He made mention of three different matters that I want to refer to briefly. In referring to the present government as opportunists—

An hon. MEMBER: Hear, hear.

Mr. COPP: I thought I heard someone say, "hear, hear." I am sure that when you

consider the meaning of the word "opportunist" and of the word "opportunity" you will admit they are rather elastic terms. My hon. friend used the word opportunist because he thought it was a slur against the administration of this government, but I want to say to him and this House that if an opportunist means meeting the wishes and views of the great majority of the people of this Dominion as we see them, and a party representing a great majority of that public opinion from the Atlantic to the Pacific, then I am prepared to take the odium of being called an opportunist.

Next, my hon. friend from Vancouver Centre felt like coming to the relief of the agriculturists of this country, and he came to their relief in the same way that all our friends opposite come to the relief of that great body. What does he say in regard to that? May I be permitted to quote just a sentence or two from his remarks?

> Now, what is wanted in Canada in connection with this financial stringency to which I have referred is some sound policy which will enable the farmer of the West particularly to fund his current indebtedness. My hon. friends, I think, will all agree with me that that is one of the most crying needs of the West to-day. It does not profit us nor will it get us anywhere to say to those debtors that they needlessly went into debt in some cases, or that it was through over-optimism in other cases; the fact is they are heavily in debt, this indebtedness is drawing large rates of interest, and the farmers cannot fund it. What is required to meet the situation is an opportunity of funding their current debts by term loans at reasonable rates.

That sounds a reasonable proposition. My hon. friends opposite, realizing at last the financial position which the farmers of the West, represented by the Progressive group in this House, are in now say: We want the government or some other institution to come to their rescue and give them an opportunity of funding their debts, and going on losing money in the future as they have in the past. Mr. Speaker, that is not the panacea that the government of the day hands out to the agriculturists in all parts of this Dominion. We hope to place before the farmers of this country an opportunity of not only funding their debts, but of being able to live and make a profit on their operations, and of being able to pay their debts instead of funding them.

My hon. friend also makes another very splendid reference in that very eloquent speech of his. Let me read just a line or two more. He was describing the beautiful trip he had had from his home town to Ottawa:

> As we came along I saw a little cabin in a clearing of about five acres, and at the door stood a woman, cherry of countenance, and around her four little children clinging to her skirts and waving to the train as it went by. Out in the little patch of cleared land was the husband preparing the soil for his spring crop, and the thought came to me that this man with his wife and children was solving the problem of northern Ontario which has so long been baffling the statesmen of this country.

Yet that is the very idea of my hon. friends opposite. Here was a man out trying to clear a little space in the forest to make a home for himself and his family, and earn, not a decent living, but a mere existence, as we know is the case with many in the pioneering days. If my hon. friend had continued his trip he would have found in the Maritime provinces, or in the middle West, many more of those same pioneers. And he proposes to let them carry on by borrowing money from the government, funding their debts, and to go on losing money in the future. I say, Mr. Speaker, that is not a proper solution of the difficulty. The only fair and proper way to meet it is for the government and parliament to seriously consider the question and to initiate a policy that will enure to the benefit of these people who are pioneers, who have gone out into the wilderness and waste places of Canada and are now attempting to build up and populate that part of the country in which they are settled.

Naturally a discussion on the tariff and taxation leads us to consider two great classes. On the one hand there are the manufacturers who have for the past fifty years been more or less aided by the policy of protection. On the other hand there are the agriculturists and the consumers who are looking seriously into the fiscal question and trying to find some relief from their burdens. Personally I have nothing unkind to say of the manufacturers; we are very proud of the industries that have been built up in different parts of this country. However, as I said previously, the majority of them are located in the two provinces of Quebec and Ontario. In order to place before parliament what I consider to be a fairly good reason why practically all the manufacturers in Ontario are opposing any interference with the present fiscal policy let me quote a few statistics from the Canada Year Book for 1922-23. The tabulated statement I have here shows the value of the output of the four basic industries of agriculture, forestry, fishing and mining, contrasted with that of manufacturing for each province for the year in question. It is as follows:

Province	Output Four Basic Industries Per cent	Manufacturing Per cent	Others Industries Per cent
Prince Edward Island..	92.4	4.8	2.8
Nova Scotia..	66.9	23.3	9.8
New Brunswick..	82	13.3	4.7
Quebec..	54.6	37.6	7.8
Ontario..	43.6	48	8.4
Manitoba..	64.6	26.7	6.7
Saskatchewan..	89.2	6.6	4.2
Alberta..	86.6	9.3	4.1
British Columbia..	82.7	4.5	12.8

From the foregoing table one can readily see why there is such strong opposition on the part of hon. members representing the province of Ontario to any reduction in the tariff on implements of production entering Canada. There are three or four reasons for this opposition. First, there are a certain number of men who vote Liberal or Conservative because they have been born into that political environment and their political views have been largely tinctured by their environment throughout their lives. Conservatives of this class are not favourable to tariff reductions. In the second place a number of hon. gentlemen opposite are interested in manufacturing concerns, and we would naturally expect them to be opposed to tariff reduction. In the third place, other hon. members represent constituencies that are largely identified with manufacturing, and it is only natural to expect that they also would be opposed to a lower tariff. Taking these reasons into consideration, as well as the significant facts brought out by the table already given, it is easy to understand why there is such strong opposition in the province of Ontario to changes in our fiscal policy such as the budget provides for.

The question of free trade has also been interjected into the controversy. My hon. friend from Fort William and Rainy River (Mr. Manion) made a very excellent speech a few days ago and quoted or referred to Macaulay, Abraham Lincoln, and other celebrities in order to show that protection was the proper policy for this country to pursue. Well, I have only to say to my hon. friend that in my opinion what Macaulay wrote in the corn law days is not applicable to conditions in this country at the present time. Nor can we accept Abraham Lincoln, splendid figure though he was, as our guide in overcoming the financial and other difficulties which confront us at the present time. We have to deal, Mr. Speaker, with the living present and not with the past. The time has arrived when we have to deal with conditions as they exist, irrespective of what the people of the antediluvian ages may have thought. We might as well refer to what John Knox or John Wesley thought in regard to church union. We, the representatives of the people of Canada, must deal with these questions and settle them and must not consider what people thought a hundred or two hundred or two hundred and fifty years ago. I wish to view the situation in that light, and that is the light in which the government is going to deal with conditions at the present time. The hon. member sought to draw the red herring of free trade over the trail. No man in the Dominion of Canada is seriously suggesting at the present time that we should adopt free trade.

We have submitted proposals to this House for the reduction of some of the tariff duties and of some of the taxes which bear heavily upon the people of the country. The manufacturers, through their representatives and mouthpieces in this country, are making threats, talking about the terrible conditions and telling us what will happen in this country if the budget proposals are adopted. They did the same thing in the past. I think you, Mr. Speaker, were a member of this House at the time when Mr. Fielding brought in his budget proposals in 1897. On that occasion, almost before the ink was dry on the paper on which these proposals were printed, the leader of the opposition, Sir Charles Tupper, pointed out what was going to happen in this country if we should adopt the budget proposals suggested by the finance minister of that day. You, Mr. Speaker, will remember his eloquent words when he said, "I see the windows of the manufacturing concerns boarded up; I hear the sorrowful wail of men who will be put out of business tomorrow". But did that happen? Instead of stagnation in industry resulting, we had a fairly good development and expansion of our industries in Canada, in spite of the fact that the opposition of that day protested that it would ruin the manufacturing industries. They cried, "Wolf, wolf", but everything went on peacefully and quietly. They said, "The factories will be closed down, our men will be out of employment, and will have to go to the United States". They were afraid of their shadow in those days. We have heard of the men who, crossing the Atlantic, became frightened because they thought they were at Sable island and who when a breeze sprang up, jumped overboard because they were afraid they were going to be drowned. That is the condition at the present time. Hon. gentlemen opposite are all ready to jump overboard before any storm arises, and before there is any difficulty.

I do not intend to discuss details of the budget, as the subject has been discussed for something over four weeks. The people of my province very strongly support the proposals brought down by the government in regard to the business and financial situation of Canada. I was indeed surprised, almost astounded, when my hon. friend from Kent (Mr. Doucet) the other day moved an amendment to increase the protection in this country. Why, Sir, if there is a constituency in the whole of Canada which would suffer by high protection, it is his constituency. According to the statement he made, and according to the amendment he proposed in this House, every article used in the fishing industry in this country is now on the free list. If there are any industries in which he is interested it is fishing and lumbering, and if the hon. gentleman were to say to the thinking people of Kent that he desired protection put on these articles, what would the fishermen of his county say? I am not here to speak for the county of Kent, but I wish to speak of the counties I know something about. I think I have some knowledge of Kent, and I say that the fishermen, the lumbermen and practically all the people of the province of New Brunswick are behind the government in their proposals.

We realize that difficulties exist. How are we going to meet them? There is only one reasonable and proper way to meet the difficulties, and that is for the manufacturers of this country to realize that there are others living in Canada to whom consideration must be shown. It is only right that those of us who are not so deeply interested in manufacturing industries should give consideration to the troubles of others who are interested, and by giving consideration to each other's troubles, we will forget a good many of our own. If we sit down at a common table, consider the position and realize the difficulties under which one section of the country labours in connection with a neighbouring section, I believe we can arrive at some reasonable solution. The budget is a step in the right direction, and will enable us to meet more on common ground and consider each other's difficulties and troubles. If that is done, instead of Canada going backward and downward, as an hon. gentleman stated the other day in Montreal, as Germany and other foreign countries where the currency is being depreciated have done, we will be able to go forward, and I believe in a short time Canada will be placed on a solid foundation and will be in an equal or better condition than she was a few years ago or even prior to the war.

4 p.m.

A great deal of propaganda has been carried on by my opposition friends during the past year. We have heard the "Whisper of death." The Montreal Star is nothing if not sensational, and it is well to draw the attention of the House for a moment to the statements of that journal and to its inconsistency during the time it was publishing the "Whisper of death." I have before me a statement culled from the Montreal Star during that time. Let us see what it thought of business conditions. I will only read the headlines and will not impose upon the House by reading the long articles which follow. The headlines are as follows:

Retailers Benefit by Tourist Trade.
Prospect of Improvement in Steel Industry.
Prodigals Return from United States.
Unemployment is Fast Decreasing.
Liners Crowded with Harvesters.
Busy Week-end.
Great Influx into Quebec and Montreal.
Alberta Grain Crop Best Since 1915.
Bank Finds Factories Mostly on Full Time.
Retail Trade Good Says Bradstreets.
More Business and Higher Net Profits for Ontario Steel.
Artisans Coming in Large Numbers.
Labour Badly Needed in All North Ontario.
C.P.R. Ships Busy.
Lake Shore's Record; More Dividends Soon.
Plants to Sell French Market Canadian Paper.
Liner Doric Carried Biggest List to Port.
Quebec will Ship All Ocean Cattle.
Doctors, Ministers, Professional Men and Skilled Artisans Arrive.
McIntyre Porcupine Excellent Showing.
Lake Steamers Busy.
Montreal Clearings up over 9 Per Cent.
West Preparing for Fall Rush of Record Crop.
Improvement Shown in Wholesale Trade.
Over 4,000 Prospective Settlers Arrive Within Week.
Estimate Value of Quebec Crop $200,000,000.
Stations Seethe With Harvesters.
Trade Better. Shoe Man Finds Outlook Greatly Improved.
$140,000,000. Rise in Total Trading Within four Months.
Gold Mining Record Broken in July.
United States Dairy Products from Canada Increase.
Increase in Canadian Silver Ore Exports.
Nickel Mines at Sudbury Better War-Time Output.
Canadian Wheat Exports Show Big Increase.
More Farm Help is Ontario's Need.
Record Year for Lumber Expected.
Montreal's Remarkable Progress.
Lumber, Mines and Railways Using Thousands of Workers.
Newsprint Gain is $12,500,000 Over Year Ago.
C.N.R. Net Revenue $1,177,445 for June.

These are headlines taken from the Montreal Star; and as an evidence of the healthy conditions in the trade and commerce of the Dominion they are, I think, a sufficient refutation of the allegations and the suggested

"Whisper of death" which appeared on the front pages of the same journal. In the light of the conditions as revealed by this newspaper itself, I say unhesitatingly that we have nothing to fear. But these suggestions about approaching death, and all the rest of it, have not at all been well received in the country, and this fact having been realized the propaganda in this direction ceased.

But we had another type of propaganda; a gentleman named Grattan O'Leary came into the limelight and undertook to tell the people of Canada what should be done and what should not be done. It is not my intention to take issue with Mr. Grattan O'Leary inasmuch as one of his own friends and the organizer of the party to which he belongs, in the person of my hon. friend from Victoria City (Mr. Tolmie), answered him fully when he referred to the articles that were published in MacLean's magazine a few weeks ago. It is obvious that they are making an effort to hoodwink the people into the belief that something is radically wrong in the management, by this government, of the affairs of the country; but I have not the slightest doubt that the people of Canada can see through this scheme. And in any case, no situation that ever existed could be improved by such a method. I have no objection whatever to my hon. friends opposite taking what action they may consider proper in the interests of their own party and with a view to realizing their great hope of some day coming back into power, but I do say that it is certainly injurious to the best interests of the country that propaganda of this kind should be engaged in by responsible men.

I want to refer as briefly as possible to the railway situation, which is among the most important matters that are exercising the minds of the people, particularly in the Maritime provinces, at the present time. It is inevitable in the circumstances that I should refer to facts that are necessarily more or less local, and I trust that I shall be pardoned if occasionally I do not speak in general terms. The railway situation is to-day the product of an evolution in this country; year after year, so long as I can remember anything political, we have had discussions in regard to the building and operation of railways in Canada. And those of us who come from the Maritime provinces know how important a part the railway problem has played in our affairs down there; for the railway undertaking of the Dominion of Canada to the people of the Maritime provinces at the time of confederation was a considerable inducement to those people to enter the Dominion. Hon. gentlemen will remember—speaking for the moment of the railway situation in a general way—that about the year 1903 the Liberal government undertook the construction of the Transcontinental railway and the Grand Trunk Pacific to provide competition with the great Canadian Pacific Railway. That railway was about completed when my hon. friends came into office and I understand that they effected some alterations in connection with gradients, curves, and other matters of that kind; and, as every one knows, an agreement was made with the Grand Trunk Railway whereby that road was to be taken over and operated on a certain percentage basis. That was never done; I am not going to take up the time of the House discussing the question, but it is sufficient to state that nothing was done in that direction. Shortly after the Borden government came into power steps were taken for the operation of the Transcontinental railway by the government; and not very long after that the government of that day made arrangements for the taking over of the Canadian Northern and its subsidiairies. Whether or not that was a wise procedure is a question which I think we need not discuss to-day, although I recall that at the time there was opposition to it. However, the government took over these roads. Within a short time thereafter they passed an act providing for the amalgamation of the various railways in Canada—the Canadian Northern, the Grand Trunk, the Grand Trunk Pacific, the Transcontinental and the Intercolonial. Let me pause here for a moment to consider the Intercolonial Railway, and to point out the dissatisfaction and the unrest which the Maritime provinces have felt in this connection. The Intercolonial railway was built by the Dominion government at the time of confederation and was the fulfilment on the part of Canada of the pledge she owed to the Maritime provinces in the confederation pact. As I say, it was built and operated by the government under the control of the Minister of Railways. Now, I am not here to try to becloud any issue or to make any statement that cannot be borne out by the facts. But we all agree, I think, that for many years during the operation of that railway, under both governments, political influences were brought to bear upon the management to a greater or less extent. While, however, politics played its part in this matter, I do not see that it made very much difference whether either Liberals or Tories were appointed to work on the railway so long as they were reasonably fitted for their positions. But I

want to dwell on this subject for a moment in order to refute the untruthful propaganda which we have witnessed in this country in regard to the Intercolonial railway. And I would point out here that it was not the Liberal party but my hon. friends opposite who were responsible for placing that railway under the Canadian National system.

Mr. SUTHERLAND: Does my hon. friend suggest that it should be again made a political railway?

Mr. COPP: I have said nothing of the kind; I am not considering that question at all. Let me tell my hon. friend just what the situation is. When this government came into power it discovered the foundling on its doorstep, and after due consideration we decided that the best thing to do was to hand it over to the board of directors that had been duly appointed and have them manage the whole thing without political interference in any way.

Mr. SUTHERLAND: I hope the minister does not misunderstand me. He was referring to the Intercolonial railway, which in the past, he stated, had been a political railway, and he found fault with the present system. That is the reason why I asked the question. There is no use discussing the National Transcontinental: it is the Intercolonial to which the minister was referring.

Mr. COPP: As my hon. friend knows, there is only one railway. We took it as he and his friends left it, and we are carrying it on by a board of directors to whom we have handed over the system for operation, and we are not interfering with the board in any way at all. But my hon. friend from the city of St. John (Mr. MacLaren) and my hon. friends from other parts of New Brunswick and Nova Scotia are condemning me because I have not interfered, or helped to interfere, with the railway management in regard to the Intercolonial railway. I am putting the responsibility absolutely where it belongs. It belongs to the Tory party in this House.

Mr. MacLAREN: Does the minister assert that what was formerly the Intercolonial railway is now an integral part of the Canadian National system?

Mr. COPP: Yes.

Mr. MacLAREN: Then how does he reconcile that statement with the attitude taken by the Board of Railway Commissioners that the board has no jurisdiction over that portion of the national system formerly called the Intercolonial railway?

Mr. COPP: The statement I made is absolutely correct; my hon. friend well knows, that the Intercolonial railway to-day is a part of the Canadian National system under an act passed in 1919 when his friends were in power.

Mr. MacLAREN: Would the Secretary of State object to answering my question? Will he explain the attitude of the Board of Railway Commissioners, which, I understand, is quite the opposite to what the minister states.

Mr. COPP: If my hon. friend wants to get information regarding the jurisdiction of the Board of Railway Commissioners, I have no doubt that if he will see the chairman of the board he will be fully satisfied.

Sir HENRY DRAYTON: Will my hon. friend tell the House when the act of 1919 was put into full effect?

Mr. COPP: I have not that information directly before me. What I have stated in regard to the Intercolonial railway is absolutely correct. It was taken over and made part of the Canadian National system in 1919, and this government has not in any way interfered in regard to the management. Let me refer to a statement made throughout my province that I was negligent in my duty when Sir Henry Thornton took charge and he and his board divided the system into regional districts. I hold no brief for Sir Henry Thornton, but I believe in being absolutely fair and giving credit to whom credit is due. I am not a railway expert and never expect to be. As a Maritime province man, I tell the House frankly that I would be very glad indeed had Sir Henry Thornton and his co-directors seen fit to extend the Atlantic region to Montreal or even further west. They did not see fit to do so; no doubt they had very good reasons for their action. But whether the Atlantic region might be made larger has no bearing whatever on the future success of the whole system. It is purely a local matter in which we in the Maritime provinces are very much interested,—and, I am bound to say, very much disturbed. But I do not believe that any action taken by the board of directors is, like the laws of the Medes and Persians, unchangeable. I hope that the Canadian National Board will yet recognize that it will be just as advantageous to the whole system to enlarge the Atlantic regional district, and I shall always be willing to do anything I can to assist to that end—always bearing in mind that the system has been handed over to the board of directors to do the best they can with. I am bound to state that their management during the past

year has proven a wonderful success, and I hope it will continue so.

But, Mr. Speaker, what is the best way to impress upon Sir Henry Thornton and his colleagues the desirability of giving more sympathetic consideration to the requirements of the Maritime provinces? Do hon. members from the Maritime provinces endorse the language used by the senior member for St. John (Mr. Baxter) in an address which he delivered in New Brunswick a few weeks ago, from the newspaper report of which I may be permitted to quote the following lines:

> Dr. Baxter referred to the deportation of the Acadians nearly 200 years ago and drew a present-day parable. Developing his theme Dr. Baxter trained the darts of his satire on the head of the new president of the C.N.R., Sir Henry Thornton, whom he dubbed "that imported miracle of Mackenzie King, who was born in the United States, moved to Britain, was knighted for some pretended service, thrown out of a job in England and then brought here, Sir Henry Thornton, who is responsible for the second deportation of the Acadians."

Does my hon. friend expect to receive the sympathetic consideration and support of Sir Henry Thornton in respect to the requirements of the Maritimes by using such language? My hon. friend the Minister of Railways (Mr. Graham) referred to some other statements made in the province of Quebec by other hon. gentlemen who were members of the former Conservative government containing similar insinuations against Sir Henry Thornton. These attacks have been so frequent in the past few months that even the Ottawa Journal—a newspaper not friendly to this government—has at last felt it necessary to take editorial notice of them. In its issue of March 25th last the Ottawa Journal printed the following editorial:

> The real enemies of the system owned by the people of Canada and those who are doing most to discredit it are the men who, pretending to be friends, are using every means at their disposal to bring its management into contempt. Sir Henry Thornton stands to-day as one of the most successful railway men in the world and every traveller on the Canadian National Railways, and every man, company or firm that has business with it, will freely admit that there has been a vast improvement in service. As one of the leading members of the Conservative party in the House remarked the other day, "there has been such a change for the better in the service that one would not recognize it as the same system." Wolves in sheep's clothing in this matter spend most of their spare time in spreading propaganda of all kinds and degrees against the National system. The president, one of the hardest working men on the Continent, has not only struggled with the solution of the grave problems that confront him but is compelled to endure the attacks of the most unfair and virulent kind of propaganda. It appears in the press in spots and the whisperers are just as busy endeavouring to undermine the Canadian National Railawys through attacks on the president and the management, as they are in attempting to instil in the minds of Canadian people and the people of other nations as well, that Canada is on the verge of ruin. The greater the success of the system, the more virulent the attacks and the more insidious the innuendo against those in charge of it.

That is the statement of the Ottawa Journal, and it is an answer to what the hon. member for St. John and Albert said and to the assertions made in the province of Quebec, referred to by the hon. Minister of Railways (Mr. Graham) a few weeks ago. We find the Tory Ottawa Journal coming to the rescue of Sir Henry Thornton, saying not merely that he is a successful railway operator but that he is the most successful in the world. We were able to obtain his services and place him in charge of the Canadian National system, and I think we should be entitled to some credit for going outside and bringing in a man of that calibre and that strength and that reputation.

If there is some restlessness and, I must say, some degree of dissatisfaction in the Maritime provinces in regard to the Intercolonial Railway, the responsibility rests upon my hon. friends opposite. During the past two years I have received many complaints from citizens of my own province as well as of the other provinces in the Maritime group, on the ground that we have not used political influence in connection with the operation of that railway. I am not wedded to the idea that because a man is connected with political matters his opinion should not at any time be sought in regard to public ventures. But owing to the criticism levelled at the Liberal party in years gone by because of attempted political interference, I join freely and willingly with my colleagues, in spite of the fact that some small degree of dissatisfaction might exist in regard to unemployment in my own constituency and in other parts of the province, in saying to the people of the country: This railway is in the future a business railway and is to be operated in the interests of Canada as a whole, not of a few individuals, be their politics Liberal or Conservative, in the Maritime provinces or elsewhere. I may suffer because of taking that stand, nevertheless that is the stand I take, and I am prepared to assume the responsibility for it.

Mr. MARTELL: Will my hon. friend permit a question? Is he prepared to admit or to state as a fact that the Maritime provinces are not entitled to extra consideration on account of the Intercolonial Railway, and does he want to tie the Liberal party down to the government ownership of railways? If he does, many Liberals are against him.

Mr. COPP: I cannot make it any stronger than I have. The Intercolonial Railway is now a part of the great Canadian National system; it has been handed over to the board of directors headed by Sir Henry Thornton, and it should be operated entirely as a business proposition in the interests of all the people. If indirectly any sympathetic consideration should be given to the Maritime provinces on account of their peculiar situation, I feel sure that Sir Henry Thornton and his board of directors will give that phase of it the best possible attention.

Mr. MARTELL: If my hon. friend will pardon me again, is he prepared to say that we are entitled only to sympathetic consideration? Does he not regard our rights in respect to the Intercolonial Railway as a condition precedent to confederation? Have we not a right not merely to sympathetic consideration but to equitable and legal consideration?

Mr. COPP: That is a matter that is entirely in the hands of the board of directors.

Mr. MARTELL: It is not entirely in the hands of the board of directors.

Mr. COPP: The operation of this road is entirely in the hands of the board of directors. I am prepared to meet my friends in the matter of getting anything done for the Maritime provinces that can equitably and reasonably be done. I am simply saying that I have joined with my colleagues in taking the attitude that we are not going to resort to political considerations in that connection.

I should like to just refer to the attitude I took in 1919 when this matter was before parliament, on which occasion my views were placed on Hansard and before the public. When the bill amalgamating the different sections of the Canadian National Railway system was brought down, I opposed it. I believed that the Intercolonial Railway should have been retained as a separate entity as it was at the time of confederation, and I so emphatically expressed myself at that time. For many days the bill was before parliament, and after it went through the committee of the House and came up for third reading I moved an amendment that the bill should not then pass but should be referred back and be amended so that the Intercolonial Railway should not form part of the Canadian National Railway system, but should remain as a separate entity. These were my remarks:

> I register my protest against the Intercolonial being linked up to the Canadian Northern Railway system and the supplanting of the Intercolonial railway employees who have spent half a lifetime on this road, know the operations and are just as capable of occupying prominent railway positions in this country and fulfilling the duties appertaining to them as any person brought in from the outside. The employees of the old Intercolonial railway throughout the Maritime provinces are being supplanted by other employees who are not any more capable, but are, if anything, less capable, than the men who have occupied prominent positions on that road. I have no word to say against those who will manage the Canadian National Railways system or the Canadian Northern Railway. I do not know what their success may be. I trust it will be of the very best. I have nothing to say against the government for passing this measure and operating the Canadian Northern Railway, as it has been forced upon them. But I do protest against the amalgamation of the Intercolonial Railway with that system. It never was the intention at the time of Confederation that we should be linked up with that system and operated as a company road.

I placed myself clearly on record on that occasion, but my amendment was not accepted by the government of the day and as a result the Intercolonial Railway became a part of the Canadian National Railway system and so remains at the present time.

Mr. BAXTER: May I ask a question? If these are the minister's views, why does he not take the railway out, now that he is in power, and put it back where it was?

Mr. MARTELL: That is what I say.

Mr. COPP: The Intercolonial was made part of the Canadian National Railway system by our opponents; it was placed there and left there and is now in charge of the Canadian National Railway Board. When this matter was under consideration the Liberal party opposed the taking over of some of the systems, but I believe a large number of the people to-day, if not the majority of them, are in favour of publicly owned and operated railways and the Canadian National Railway system as at present operated. At the first session of parliament after the Liberal party came into power we told the people that we were going to give the Canadian National Railways and public ownership a fair chance —and we are doing so—by not interfering in any way with the board of directors appointed to carry on the work.

Mr. BAXTER: May I ask another question? Has the hon. minister changed his mind and come to the conclusion that the policy of the old one was the correct one?

Mr. COPP: I would ask my hon. friend if he has changed his mind in regard to the operation of this railway.

Mr. BAXTER: Yes.

Mr. COPP: My hon. friend, while he was not then a member of this House, was a member of the Conservative party at the time they passed the act taking over the Grand Trunk; in fact he has been a very influential member of the Conservative party ever since I have known him. My hon. friend now condemns the taking over of the Grand Trunk railway because of the fact that it is being operated, as he thinks, against the port of St. John, in favour of Portland, Maine. Well, my hon. friend supported his party at that time, and he was a candidate in the general election of 1921, and I would ask him if during his election campaign in 1921 he condemned the Conservative government for passing the legislation taking over the Grand Trunk. I submit that my hon. friend did not take that stand at that time. What did he say? I have here the remarks which he made on this subject during the session of 1922, when he found himself in opposition. It is all very well, Mr. Speaker, for hon. gentlemen to go around this country making speeches that will appeal to popular sentiment in their constituencies, but here we have on record what my hon. friend said in this parliament, namely, that his party when in power took over the Grand Trunk against the bitter opposition of the Liberal party at that time, because we found export freight going to Portland that we hoped would be carried to the maritime ports of St. John and Halifax. My hon. friend says that we should get clear of the Grand Trunk after we have acquired it. But what should we do with it?

Mr. BAXTER: I did not say that.

Mr. COPP: Let me read what my hon. friend said in the session of 1922. I am quoting from Hansard of that year, page 104:

> In dealing with the railways I want to deal with something that is of peculiar interest to part of the Maritime provinces. I believe that in what I am about to say I shall have the wholehearted sympathy and, I trust, the support of my hon. friend the Secretary of State (Mr. Copp) and also of every other member from New Brunswick who sits on your right, Mr. Speaker. During the campaign a very strenuous attack was made upon the then government party for its alleged actions with regard to the harbour of Portland, Maine. I felt, in fact I knew, that the newspaper allegations were not based upon facts. I want to say to my hon. friends that the problem now is theirs, a problem which otherwise the preceding government must have faced. From the standpoint of the city of St. John, where millions of the money of the taxpayers of that city had been expended, as well as many other millions of the money of the Dominion of Canada, for the provisions of wharves and railway facilities, I say that the time has come to do our business through Canadian ports; and if we are to have the obligation upon us of a vast railway system, we should at all events get for Canadian ports, and for no other than Canadian ports, every pound of freight and every passenger that that system of railways can carry. When the hon. Minister of Railways does deal with this subject in the House, I trust we shall have an assurance that this government will practically cut off the connection between Montreal and Portland, Maine, and will divert the traffic to our two great winter ports—ports that are fairly well equipped but will stand better equipping yet—the ports of Halifax and St. John. I would not like the government to think that there is any rivalry between our Atlantic seaboard ports in regard to this question. Our true position is to insist here with all the power at the command of every one of us from the Maritime provinces that Canadian trade, as was said by the late Sir Wilfrid Laurier, shall flow through Canadian channels; and to ensure this we must develop not only the ports of Halifax and St. John, but, in time, other ports in these provinces, to take care of the immense trade which this country will produce. But when this system of railways is co-ordinated we must not continue to utilize an outlet in the country to the south of us to the detriment of our own ports.

We must cut off this connection, my hon. friend says. Now where would he cut it off? The Conservative party took over the Grand Trunk, and took it over not with the consent of the Liberal party, but against the absolute opposition of the Liberal party of that day, and this is another matter that we have on record. We had a very long debate over the acquisition of the Grand Trunk railway in which I took part, and perhaps I may be pardoned for placing again on Hansard what I said with regard to it:

> May I be permitted for just a moment to refer to the effect that this proposition will have upon the ocean ports of the Maritime provinces? I may be accused of being sectional, but I am not prepared to accept that responsibility. We of the Maritime provinces are possibly somewhat jealous of the few little favours that we have received from the government during the fifty years of Confederation. We have in the Maritime provinces two great natural ports in particular of which we are very proud, and which we hope to maintain and develop as we believe they ought to be maintained and developed. A few evenings ago the Minister of Railways (Mr. J. D. Reid) referred to this matter, and the hon. member for Guysborough (Mr. Sinclair) asked him a question in regard to the operation of this road and as to the effect it would have. The answer made by the Minister of Railways was that in the operation of this system we must get the very best railway operating men possible, it does not matter where they come from, and this railway must be operated along business lines without political or other interference. That being so, if this system is to be operated in a business way by business men, by railway operators of wide knowledge and experience, what conclusion must we arrive at? If I may be allowed to repeat the illustration again, if it is going to cost more to take freight originating in any portion of the western country and coming down to Montreal, to Halifax for shipment from that port than to Portland, what must the business railway operating men say? They will say: We cannot take it to Halifax, we will take it to Portland because that is a shorter haul and the cost will be less. That being so, the ocean ports of the Maritime provinces must necessarily lose a large volume of the business, and the money expended by the government in the development of those ports to date must be to a large extent rendered unnecessary as

they will not be used, and those ports will suffer as a consequence. I realize that the operation of this road through American territory must of necessity draw trade away from the ports of the Maritime provinces, and we shall find our products and our ocean traffic going through foreign country channels by the operation of this road, according to the statement of my hon. friend.

That is the stand I took upon that occasion in regard to taking over the Grand Trunk. If the Grand Trunk had not been taken over, this question of the port through which the export freight of the West would go would not have been raised; but to-day it is a serious question for the people of the Maritime provinces and for the ports of St. John and Halifax, on which a large amount of money has been expended for development. The freight going over the Canadian National railways to the port of St. John to-day is practically nil. I hope that before very long this matter can be taken up and remedied. My hon. friend says that we must get clear of this outlet to Portland. Well, we have the road and it must be operated, but I have hope and very great confidence that after this matter has been given some study some reasonable arrangement can be made whereby a portion of the export freight from the western prairies will be brought down to maritime province ports. We had the very great pleasure a few weeks ago of having a number of the Progressive members, whom I see before me now, visit the Maritime provinces. They spent some time at Halifax and St. John looking over these ports, and I am sure they realize the splendid facilities we have there for the shipment of grain. Now, a question has arisen between the people of the Maritime provinces and the Board of Management of the Canadian National Railway system. Some people in the Maritime provinces say, and they think they are right, that the Canadian National Railways have a right to route grain just as they like. On the other hand, the argument is made that it is the right entirely of the shipper to say how his grain shall be routed, whether it is for export or for some local destination. But we shall never get anywhere by sitting down and grouching about this thing, that and the other.

The thing for the people of the Maritime provinces, for whom I have every sympathy and consideration, to do to-day, is to look into this question from a business standpoint. I think it would be wise on their part to choose a business committee who would do for the Maritime provinces what the Chamber of Commerce and Board of Trade of Portland, Maine, did for that city last year. I have every confidence that if such a committee were appointed and went to the West and explained the situation of the Maritime provinces to the people there, that a thorough understanding could be reached of the problems confronting both East and West, and the difficulties under which the respective communities labour. By a full understanding of the situation on the part of each, a solution of the existing difficulties could be worked out which would be beneficial to both the East and the West, and to the country as a whole. To represent Sir Henry Thornton as absolutely unsympathetic to the Maritime provinces is unjust; I have not found him to be so, and I hope it is not the case. I cannot for one moment believe that a man of his great reputation and experience would consider operating the National Railway system in any other manner than in the best interests of the country as a whole. For many years certain railways that compose that system were a burden to the people; but judging from the financial results of the last year or two there is reason to hope that that era will soon be over, and that in the near future the greatest benefit to the Dominion will flow from the operations of the National Railway system. The railway question is a big question and considerable time might be occupied in discussing it.

I have already talked too long or I would deal to some extent with the question of freight rates which has aroused considerable attention in the public mind. It costs considerable money to operate the National Railway system of Canada. It is a magnificent system, and ultimately may prove to be a big asset to the country, but it is costing the taxpayers of Canada a great deal of money We would all like to see a lowering of the freight rates. It is sometimes argued that if the rates are lowered the volume of traffic would be larger and the receipts would be considerably augmented. That is a question that remains to be settled but I can say from my own experience that the people from any section of Canada will be courteously and fairly treated in any representations they may make to Sir Henry Thornton, and their views will receive the most businesslike consideration. Any suggestions I make in this matter are not advanced in any spirit of criticism: I simply desire to say that if the people of any section of the Dominion have grievances, either real or fancied, it is their duty to place those grievances before the board of management and to endeavour to have their difficulties adjusted.

Let us try and realize that we are people of a common country with a great future before it. Let the people of the East try to understand the people of the West, and let those in the West try to get the viewpoint of eastern people. By doing that we shall be pursuing a course that is likely to yield a solution of our difficulties. One way to understand the western situation is to visit the West and talk to the people there. I paid a visit myself to the West and that formed the subject of some misrepresentation on the part of the leader of the opposition which, I may say, is his strong suit. It was represented that I journeyed to the West in a private car. I did not, I went in the ordinary way and had a good time. I met the people of the West and by personal observation realized what they were struggling against. The western people should also endeavour to familiarize themselves with the conditions in the East. If both sections of the country better understood each other's problems they would be better able to co-operate in developing this country in the future than they have been in the past.

In conclusion, I sincerely trust that the people of the Maritime provinces will abandon the policy of abusing each other, or abusing Sir Henry Thornton. I trust they will come to the conclusion, so far as the latter gentleman is concerned, that he is engaged in doing what he can, not only in the interests of the National Railways but for the benefit of the country as a whole. I believe that Sir Henry Thornton is just as friendly and sympathetic towards the Maritime provinces as he is towards any other part of the Dominion. Finally let me say that if we discuss our problems in the spirit which I have indicated there can be no doubt but that we shall arrive at conclusions which will be not only beneficial to the Maritime provinces but will be fraught with the greatest good to Canada as a whole.

Mr. L. J. LADNER (Vancouver South): If the arguments of the Secretary of State were as powerful as his voice, and were as vigorous as his manner in presenting them, we might expect to find nothing but whispers from any other portion of the chamber in any attempt at reply. I am especially impressed with the —shall I say—philosophical reference of the hon. gentleman to a consideration of national problems retrospectively, leading us to believe that he did not care very much what people thought in days gone by or how they solved their problems. The hon. gentleman closed with the statement that we must deal in the living present and not in the past. I commend to the hon. gentleman greater consideration for the experience of those who have gone before him. If he studies that experience he will perhaps find it easier to arrive at the solution of the problems of to-day. That observation has never been more applicable than it is to the question of the tariff which, after all, is the chief issue before the parliament and people of Canada to-day. For that reason I propose to occupy a few minutes to impress upon the House what I consider to be the wishes of 90 per cent of my constituents in a riding having a population of about 55,000 people.

The tariff has long been a subject of political dissertation. The other day I was reading an account of the origin of the word "tariff." It seems that the Moors about the 13th century had control of a little town named Tarifa about twenty-one miles from Gibraltar. Tarifa being in a very strategical position the Moors were able to collect tribute from ships that passed through the straits. Although other nations of Europe have not behind them the British Empire advantage of the bulwark of the great fortress of Gibraltar, yet they have copied from the Moors the idea of protecting their commerce and industry by a tariff, and to-day you find in every great commercial country a protective tariff very much higher than the one we have in Canada. Even the key industries of Britain, a country supposed to have free trade, are under a large revenue collecting tariff. The revenue collected by Great Britain from customs duties is five times more per capita than the amount collected by the United States. According to the Statesman's Year Book, the leading authority on statistics of Britain, the United Kingdom collected customs duties in 1920 to the amount of about $700,000,000, while the United States collected in the same year, $322,000,000, or in the case of the former, five times that of the United States on a per capita basis.

Before considering the question of a protective tariff, I would like to give the House what I believe to be a very good definition of it, one which was given by the late President William McKinley in his speech in congress, when he was an ordinary member, in 1888. He said:

> Our kind of tariff makes the competing foreign article carry the burden, draw the load, supply the revenue and in performing this essential office it encourages at the same time our own industries and protects our own people in their chosen employment. That is the mission and purpose of a protective tariff.

The outstanding message of the budget with its new fiscal policy which the government presented to the people of Canada is, to use the words of the hon. Minister of the Interior (Mr. Stewart, Argenteuil), "The death knell of the protective system." It also means

the embalming of the Laurier-Fielding tariff, properly known as the National Policy of Sir John Macdonald. It means the purchase of the political support of the Progressive party by acceptance of the Progressive platform, as set out in the memorandum of the Council of Agriculture to Prime Minister King and his cabinet on the 2nd April, 1924. It contains a message in utter disregard of the industrial and manufacturing interests of Canada. The people of Canada are again faced with the old issue of lower tariffs and free trade versus protection.

I ask, Mr. Speaker, what is the new policy which the government have adopted? They had their own platform of 1919, and it appears this is the first step in implementing by legislation a part of that platform. The fact is that the new policy which the government has adopted is identically the policy set out in the memorandum of the Council of Agriculture, delivered to the government, the Prime Minister and his cabinet on the 2nd April, 1924. This is a matter of such great importance to the commercial and industrial life of Canada that I desire for a moment to refer to some of the tenets contained in that memorandum which the government was asked to accept and which they did accept as set out in the budget. This memorandum of the 2nd April, 1924 says among other things:

> In the opinion of this delegation the most important question at present before parliament and before the people of this country is that of the tariff. From our point of view, the point of view of the agricultural industry, the system of protection is an unmitigated evil. The Canadian farmer sells his products in the markets of the world in competition with farmers in every quarter of the globe, and with some small exceptions he must accept world prices even for that portion of his produce which is consumed at home. The Canadian customs tariff cannot therefore be of any advantage to the farmer in protecting him from foreign competition and enabling him to secure better prices for his goods.
>
> On the other hand, when he goes to buy the things which he must have in order to live and to produce—his implements, his building materials, his food, clothing, furniture and the other necessaries of life, he must buy in a protected market and pay artificially enhanced prices.

Further down the same page I find the following:

> For many long years the farmer has been exploited and plundered by those who enjoy special privileges under the protection of the law.
>
> We sincerely trust the promise here contained will be implemented to the full, but we desire to say that so far as the agricultural industry is concerned a reduction in the duties on agricultural implements alone will not be sufficient to satisfy the demands of justice.

And in conclusion, the final basis of this new policy of the Liberal party, which is joined in holy matrimony with the Progressive party, reads as follows:

> We look forward to a time when possibly the tariff may be altogether abolished, and in the meantime we urge that so long as the tariff is retained it should be on a revenue basis.

There, Mr. Speaker, is the actual issue before the country. They look forward to the time when the tariff will be absolutely abolished.

An hon. MEMBER: Hear, hear.

Mr. LADNER: An hon. gentleman on my left says, "hear, hear." I have no doubt he was one of those hon. members supporting the amendment of the hon. member for Centre Winnipeg (Mr. Woodsworth). I submit, in opposition to the argument of the hon. Secretary of State (Mr. Copp) that we should look at the historical facts. If we look at the United States in its prosperity, we must know that there are reasons for that prosperity and for the advancement which the United States has made. The northern and southern halves of the North American continent are somewhat similar, in geographical area, in natural resources, in physical configuration, and in nearly every way. The two countries were discovered about the same time. The settlement of the United States took place perhaps a little earlier than that of Canada, but what do we find? The United States is a great, powerful and prosperous nation, with 110,000,000 population, while Canada contains only 9,000,000 people, not prosperous; and there are not so many people coming into Canada as are leaving it. While the United States are putting up barriers and trying to devise ways and means to prevent people coming into that country, Canada is spending her thousands of dollars in Europe endeavouring to induce people to come here. I ask why does that state of things exist? Why are people rushing to the United States, and why can they not be induced to come to Canada? My contention is that it is because the United States some 60 or 70 years ago adopted a protective tariff, and although her prices may be theoretically high—yet in fact they are not and I will prove that. The standard of living and the wages people are able to earn there are sufficiently high to cause people in other countries, where the standard is lower, to go to the States to seek the comforts and the benefits of that new country. There was no other cause or reason why the people of Italy, France, Germany, Britain, and all other countries in Europe should leave their homes, their shores, their race, their traditions and their country to go to the United States.

5 p.m.

We find that the United States adopted protection as early as 1789. At that time the protection was about eight per cent. In 1816 it was raised to about 25 per cent. In 1828 their protection averaged about 41 per cent. Then they adopted a lower tariff and the country suffered from depression, but in 1861 the principle of protection was reasserted, and the protection was increased again in 1864. In 1890 the McKinley tariff brought the average protection up to 48 per cent. In the late Fordney tariff we find a new assertion of the idea of the protective tariff. If hon. members study economic development of Canada and the United States they will find that protection, prosperity and good wages always march together, and that low tariff, depression and low wages have likewise gone together. That is an historical, economic fact.

In Canada we have pursued a different course. The protective system was not adopted in any real way until 1858, and it is interesting to note that between 1874 and 1878, whan the tariff was considerably lower, the country suffered as we all know, one of the worst depressions. In 1862 the Hon. Alexander T. Galt, Minister of Finance, made his speech introducing the budget, and reading that speech one would think he was listening to the words of the present Acting Minister of Finance (Mr. Robb) when delivering his speech the other day. Contrary again to the view of the Secretary of State, as expressed in his speech this afternoon I say we must look at the historical development and the progress which was made in the past, and see how it has worked out. The protective principle in Canada was established as such in 1858, for the first time. In 1862 the duties were being reduced somewhat, and Mr. Galt made certain predictions which I think are interesting. He, as the then Minister of Finance, in making his budget speech said:

> We now have an opportunity of reinvigorating our trade by reducing the duty on foreign goods. I propose making a reduction of the 20 per cent list to 15 per cent, and of the 10 per cent list to 7½ per cent. (Hear, hear). . . . I think the time has come when it will be found advantageous to our revenue to aim directly at one object in the alterations we propose—we must seek to get the utmost we can, coupled with unrestrained and unembarrassed trade. If on the one hand we get increased trade by a low tariff of customs, it is equally clear on the other that every article made in the country will be decreased in value to the consumer by the reduced amount of duty imposed upon that particular article at the custom-house.
>
> We cannot avoid seeing that one of the causes which will operate against the United States,—

And I commend this prediction to hon. gentlemen.

> —both in retaining their present inhabitants and in attracting additional population, is found in the very high duties they have been compelled to impose. If our duties are less than theirs, we may reasonably hope that a large amount of immigration may be attracted to our shores. I think, also, it will be found that a very considerable increase in our trade will be the result of the mode I propose to adopt in the imposition of duties.

The fact is that, contrary to the prediction of Sir Alexander Galt, far from high duties causing the people of the United States to leave that country and come to Canada, and injuriously affecting American prosperity, the protective policy has done the very reverse; for the American people did not come into Canada as was anticipated by the then Minister of Finance.

I have received a return from the Dominion Bureau of Statistics data giving the ad valorem rates of customs duty on dutiable goods imported into Canada and the United States respectively for the fiscal years 1870, 1880, 1890, 1901, 1911, 1923 and 1924. The figures are as follows:

Customs duties on dutiable imports—	Canada Per cent	United States Per cent
1870..	20.9	47.08
1880..	26.1	43.48
1890..	31	41.41
1901..	27.5	49.64
1911..	25.9	41.22
1923..	24.9	36.07
1924..	22.7	about the same

In other words, the duties of the United States during the last 55 years have been from 50 per cent to 235 per cent higher than those in Canada; and I submit that this is what has produced a higher standard of living and higher wages in the United States as compared with Canada, this is what has attracted immigrants from foreign countries to build up that country to its present status. These are arguments based on historical experience which it is hard to contradict. But perhaps some hon. gentleman might say: it is true that the duties have on an average been higher in the United States than in Canada, but what about the cost of living? Well, I have had a return made by the Bureau of Statistics regarding this point also, and I find, according to the schedules which I have here, that since the year 1890 the cost of living in the United States has been as low as it has been in Canada, or lower; it has never been higher. If you take both wholesale and retail prices and compare the two countries you will find that the cost of living has been lower in the United States. As regards population, the figures which I have secured are instructive. I shall give them in round numbers. In 1870 the United States had a population of 38,557,371 as compared with Canada's 3,689,257; in 1880 the popula-

tion in the United States was 50,000,000 and in Canada 4,300,000; in 1890, the United States, had 63,000,000 and Canada 4,800,000. And at the end of each of the three years 1900, 1910 and 1920 the population of the United States stood respectively at 75,000,000; 91,000,000 and 106,000,000 with Canada at 5,300,000; 7,200,000 and 8,788,000. The increase in the United States has been enormous, and it has not been all a natural increase, much having been due to immigration. These are staggering facts of an authoritative nature which one can well consider as a sufficient warranty for the future policy of this country being in keeping with the course which has been pursued in the United States. I submit that the trouble in Canada has been that we have had, not too high a tariff but one that has not been high enough; because if your tariff is high the standard of living is bound to go up, you increase the production in the country for the home markets, and you have increased competition. And it is increased competition that keeps down prices. My hon. friends to my left smile at this, but I can assure them that I am able to submit authorities and data to convince them on the question.

Let me consider for a moment what has happened to our own population. We find that in 1920 the emigrants from British North America—Canada and Newfoundland —to the United States numbered 90,000; in 1921, 72,000; in 1922, 46,000 and in 1923 117,000. On the other hand we find that the immigrants arriving in Canada from all countries have been as at the end of March, in 1921, 148,000; in 1922, 89,000; in 1923, 72,000, and in 1924, 148,000. It is obvious therefore that our population has been steadily drifting to the United States, and the reason, I submit again, is that the standard of living in the protected country is higher, and the competition which exists brings prices down to make the cost of living low. Organized labour, too, has been able to maintain the rates of labour at a good level. The fact is that those countries that have maintained a high tariff, and which by means of mass production have been able to export to a very much greater degree than weaker countries like Canada, are able to offer inducements to immigrants which are not afforded under a low tariff.

There is another extremely important thing which we cannot ignore and which faces Canada as insistently to-day as any situation has ever confronted a nation. Beyond the Pacific, in China and Japan, there are teeming millions of orientals who provide what practically amounts to slave labour; they work for from 5 to 10 cents a day. So that the industrial development of those countries is advancing rapidly. I would ask my hon. friends to my left, therefore, to consider what the situation would be in Canada if China and Japan made any considerable industrial progress during the next ten years, as it is highly probable they will, with cheap labour at from 5 to 10 cents a day, and if they were able to bring their products into this country. What would become of the industrial and social life of Canada? We should be obliged to lower our standard to those of the Japanese and the Chinese if we wished to survive industrially. There is no question about that. Consider the situation in Europe at the present time.

Every country in Europe is highly industrialized and has the advantage of very cheap labour. At the present time we are importing goods from Germany and other continental countries to the displacement of our own. We lower our tariff while the United States raise theirs. Our neighbours by their tariff policy foster their manufacturing interests and protect their workmen; they hold their own home market and export their surplus production. On the other hand, we allow the whole world to invade our home market, and we do nothing by tariff legislation to encourage mass production. Why is it that people from all parts of the world are so eager to get into the United States that the government has to put up barriers to restrict their ingress, while we in Canada are spending hundreds of thousands of dollars every year to attract immigration? It is simply because we have not followed the policy of our neighbours to the south, the policy of reasonable protection that will protect our industries.

Let me be specific and take the actual experience of Canada by showing the results of the application of the National Policy during the three years from 1879 to 1882. At the time of the introduction of the National Policy conditions in the Dominion were similar to those obtaining at the present time—people were leaving the country, there was financial stringency, accompanied by depressed trade conditions. I would commend to the notice of hon. gentlemen the speech of Sir Leonard Tilley, then Miniser of Finance, delivered in 1882, in which he made an able and exhaustive analysis of the application of the National Policy during the three years from 1879 to 1882. He showed from data secured as the result of exhaustive inquiries that the number of factory employees during

those three years had increased 17 per cent; 100,000 more people were employed, factories were working full time; wages increased between 5 per cent and 35 per cent and 10,000,000 bushels of grain were consumed in the first two years of protection more than in the last two years of free trade and low tariffs. To show with what care the data was secured, Sir Leonard Tilley informed the House that he had instructed his investigators to "get data that could not be shaken by any statement of fact that could be produced in the House." Farming conditions were much improved and the farmers' home market was greatly increased. A prominent Liberal manufacturer named Green was asked the question:

> If wages were high how could the price of commodities be low?

This was the manufacturer's reply:

> Now we have doubled our production we have orders ahead, our expenses of management have not increased, and we can sell at lower prices than we could before.

Looking at the improved conditions from the standpoint of the farmer, the labourer and the mechanic, we find—and these are actual authoritative figures which can be verified at any time—all agricultural implements were from 5 to 20 per cent cheaper; for instance, ploughs were 15 per cent less; carriages which in 1871 cost $110 and in 1881 were $105 had dropped to $100; furniture of common quality was obtainable at low prices; stove castings and hardware were a little higher; wagons which sold at $64 in 1871 and $62 in 1878 had been reduced in price to $60 by 1881; boots and shoes were less, with the factory wages higher; tea was 5 or 6 cents a pound cheaper; sewing machines were $10 cheaper; the average price of woollen goods was lower than it had been for ten years prior to 1878; flannels and blankets were at as low a price as at any time within the past ten years, although the average duty on woollens had increased from 7½ to 9 per cent; farmers' products had a better home market, higher prices being obtainable for vegetables, fruit, poultry, lamb, butter, cheese, oats and corn. In short, to use the words of Sir Leonard Tilley:

> The labourer was getting higher wages, the manufacturer was making more profits, the farmer had a demand at good prices for all his products, the merchant had doubled his business, and the government's finances were in a very satisfactory condition.

Those were the results of three years' operation of the National Policy. And it is a well-known fact that in 1874 the United States raised their tariff. The mistake we have always made is that instead of keeping pace with the United States tariff duties we have allowed ours to remain as low somtimes as half those of the United States.

This budget is the result of the importunate demand of our grain-growing farmers. In this connection it is interesting to notice how this section of our agriculturists stand in regard to the total agricultural production and wealth of the Dominion. I have collected some data from the Monthly Bulletin of Agricultural Statistics for March, issued by the Department of Agriculture. No doubt most hon. members have received their copies. There can be no doubt that the readiness of the government to lower the tariff is actuated by pure political expediency in order to retain the support of their Progressive friends. That, of course, is their own business, but so far as the real interests of Canada are concerned, I submit the government has delivered a staggering blow to our economic life, and I shall endeavour to prove this from the data I will refer to. The gross agricultural production in Canada in 1923 was $1,342,000,000. Of this amount the three prairie provinces Alberta, Saskatchewan, and Manitoba produced approximately $575,000,000 in general agricultural produce. The rest of Canada produced about $767,000,000. Therefore the agricultural production of the three prairie provinces constituted 36 per cent in value of the total agricultural production of the Dominion. So in effect the demand for lower tariffs comes from those responsible for 36 per cent of our total gross agricultural production only. Let us consider for a moment the total gross agricultural wealth of Canada. It is estimated in 1923 at $7,365,000,000, of which the three grain-growing provinces, Alberta, Saskatchewan and Manitoba, own $2,337,000,000, or 31 per cent. These three provinces have 22 per cent of our total population. But I submit that it is not all our agricultural producers who would insist upon lower tariffs. Many of them produce commodities which require a home market. This budget is the result of the political insistence of the grain-growing and grain exporting element of our farming population. But we must remember that a considerable amount of our agricultural production is exported. The export of wheat and wheat flour from Canada for 1922-23 amounted to 280,000,000 bushels, which, according to the prices contained in this statistical pamphlet, were valued at $185,000,000. This export wheat and wheat flour amounted to 14 per cent of the total gross agricultural production, which means that the producers of that 14 per cent of the gross agricultural production of the country are dictating to the government a fiscal policy for Canada. In its

last analysis that is exactly what this proposition comes down to.

I would like for a few minutes to refer to the application of the budget to my own province of British Columbia. The outlook of the Pacific province is one of commercial, industrial, agricultural and mercantile development. We are a diversified province. We do not make our living entirely by growing wheat or by producing lumber or by following any one particular industry. The natural resources of British Columbia make that province eminently fitted for manufacturing and for commercial and mercantile life, and it is from that aspect that I propose to point out to the government the extent of the injury which is being inflicted by the present budget on the future prosperity of the people of that province.

In order to judge the situation rightly we must find out what the production is in these different natural resources. In 1923 British Columbia produced in agriculture $55,000,000 worth; fisheries, $20,000,000; minerals—second only to Ontario—$44,000,000; forest products, $82,000,000. It is interesting to note that British Columbia has 50 per cent of the commercial standing timber of Canada. Last year the export of lumber from British Columbia increased by 91 per cent over that of the previous year; the log scale increased 33 per cent. A very large and extensive shipping business is carried on. With respect to sea-going and coastal vessels entering and clearing from Vancouver in 1923 as compared with Montreal, the figures are as follows:

	No. of vessels	Total tonnage
Montreal..	13,906	14,692,000
Vancouver..	26,480	14,184,000

In other words the shipping business of Vancouver is about equal to that of Montreal. British Columbia is third in the Dominion in manufacturing as regards number of plants, capital invested, production, and variety of articles produced. The figures I am about to give are taken from statistics compiled by the Department of Industries, being a department of the provincial government at Victoria. The number of articles manufactured last year was 482; number of plants, 2,718, nearly one-half being in Vancouver; number of employees, 41,000, with a pay roll of $86,000,000 and a capital investment of $225,000,000; gross value of production, from manufacturing businesses, $258,000,000. The budget lately brought down, as worked out by the experts in the Vancouver Board of Trade and by business interests in the city—the Vancouver Board of Trade is a very large institution, comprising some two thousand members—the budget as it relates to the industries of British Columbia, both directly and indirectly in an important way, affects 120 industries with a payroll of $43,000,000 a year, having 15,300 employees, or one-third of the wage earners of British Columbia. That is what the fiscal policy of this government means to our province; it is a stab at its industrial and commercial future, and it affects directly one-third of the pay-roll and one-third of the wage earners of that province. That is how serious it is.

In order that I may not be accused of speaking in generalities I will refer the government to a memorandum, a copy of which I believe they received, regarding the tariff changes affecting machinery and equipment manufactured in British Columbia, issued by the Metal Trades Employers' section of the Canadian Manufacturers' Association, British Columbia division. There are 37 firms concerned, some being very large and important establishments, and the absurdity of the tariff reductions made by the government as affecting British Columbia is so cogently and so emphatically set forth in this memorandum that I hope that the members of the government, and especially the Acting Minister of Finance, will read it again and again. They point out that Washington and Portland, which are the western competitors in certain lines of machinery, have been obliged under the old tariff to sell their machinery in British Columbia at a higher price than the local product. Some may ask, then why object to the reductions in duty? The objection is this: You are again faced with the principle of mass production. In Washington they have a larger market to supply; they have a larger production, and if you reduce the duty a little bit it means increasing their production a great deal and by that surplus or mass production they can put their product on the British Columbia market and force the industries of that province to cease. That is exactly what is going to happen under the arrangement made in connection with the present budget. I understand that certain loggers' associations and other people interested in getting out the natural resources affected by this budget formally requested the government—and I believe they had their inspiration from some sources here—to make the reduction on these implements.

Mr. STEWART (Argenteuil): Was there no inspiration in the other case?

Mr. LADNER: Well, the other case is the signed statement of business concerns which are hit by the budget, 37 of them. These are responsible people.

Mr. STEWART (Argenteuil): Are the loggers not responsible?

Mr. LADNER: I made no suggestion that they were not; I simply say that those signing this document are responsible persons. There may be two sets of responsible persons. But the data accurately worked out here shows that the small amount which would be saved the logger on certain machines would be merely a drop in the bucket so far as his financial activities and his investments are concerned. On one large machine involving some thousands of dollars the reduction in duties enables the logger to save perhaps, $200 or $300, but his investment in the business to make it successful is so large that the saving of this two or three hundred dollars will make him neither wealthy nor prosperous, but will in the end put out of business the people who are manufacturing these particular articles. The absurdity of such a policy as that must be apparent to hon. gentlemen opposite. Suppose a man built a sawmill requiring a planer. He may spend perhaps $100,000 in constructing that sawmill.

Mr. STEWART (Argenteuil): Has not the manufacturer of the articles my hon. friend is mentioning still the benefit of 20 per cent protection?

Mr. LADNER: Protection in what?

Mr. STEWART (Argenteuil): Does he not get 20 per cent on those machines?

Mr. LADNER: Twenty per cent, certainly, but I am endeavouring to show—

Mr. MOTHERWELL: That is twice too high now.

Mr. LADNER: The Minister of Agriculture says it is twice too high now. He is trying to do what will meet with the approval of the grain exporter; he is not so much concerned about the industries of our country as he is about getting the maximum price for his grain and in producing it as cheaply as possible. That is reasonable; nobody objects to that, but I say we must take a national view of this question, not a local or parochial view, such as was taken by the Minister of Agriculture throughout his speech the other day. We must take a broader view of it, and my contention on machinery is this: While you may save two or three hundred dollars on your planer, that is a mere drop in the bucket compared with a capital investment of $100,000 in your sawmill, and it will neither make the enterprise successful nor materially interrupt or interfere with the dividends; but by reducing the duties you put out of employment the men in British Columbia who are making the machinery. What good is there in that? These firms who are making the machinery employ people who make their homes there, and must buy lumber to build their homes, and in that way they help build up the cities and towns and make the country grow. The United States has endeavoured to keep her workmen and her business men at home by creating the economic barrier of a tariff around the country, so that Chinese and oriental labour and the cheap labour of Europe cannot flow in and compete with their own workmen. But the policy of this government is to drive from this country not only the industries, but the many thousands of people who work in them, and this budget, as I said before, affects one-third of the industries of our province.

Now I would like to read one or two extracts from this memorandum issued by the Metal Trades Employers' Section of the Canadian Manufacturers' Association and sent to the government:

> It might not be out of place to point out that no change is provided for in the budget in the protection afforded the Canadian manufacturers of other types of rolling stock. Evidently, Canadian railways are able to buy satisfactory equipment from Canadian car manufacturing plants, and are satisfied with the prices charged by those plants in comparison with the prices obtaining on box, flat, gondola and other cars in general use in the United States.
>
> We therefore fail to see the justice of singling out one class of manufacturer turning out a type of equipment peculiar to the requirements of British Columbia, as has been done by the government in reducing the duty on logging cars from 30 per cent to 20 per cent.

I ask hon. gentlemen opposite, and particularly the Minister of Public Works (Mr. King, Kootenay), who comes from British Columbia, what possible answer there can be to the statements contained here. Why have they killed or are killing this industry which makes a type of rolling stock peculiar to the requirements of British Columbia while at the same time they leave the great industries of this country which make cars for the railways free from tariff reductions. Where is the justice in that? It seems to be the very consummation of iniquity. This memorandum concludes with this very significant statement, and one of the members of the cabinet will be interested in this assertion contained in this memorandum, which is signed on behalf of these thirty-seven firms in Vancouver and other parts of the province:

> One of the federal cabinet ministers in reply to representations made to him in this connection states that the government believes that the tariff reductions will stimulate industry in British Columbia and create a larger market for the product of the British Columbia machinery manufacturers. We are not prepared to admit that these tariff reductions will stimulate the logging, lumbering or mining industries in British Columbia to the slightest degree.

And that is the fact. It goes on:

As a matter of fact, American capital has in the past two years been flowing steadily into British Columbia for investment in logging, lumbering and mining enterprises. Any hesitancy we have heard expressed—

And these are business men talking, not theorists sitting in government positions.

—on the part of American investors in connection with the lumbering business has been the uncertainty of policy on the part of the provincial government in connection with strictly provincial legislation, and having nothing whatever to do with the tariff, and as stated, we do not believe that the changes which have been made on lumbering and logging equipment will have the slightest effect in stimulating the lumbering industry.

Sir HENRY DRAYTON: Who is the cabinet minister referred to?

Mr. KING (Kootenay): Just to relieve my hon. friend's mind, I might say that I, as one of the ministers, have advised them of that opinion.

Mr. LADNER: Is it then the Minister of Public Works who is referred to in this memorandum?

Mr. KING (Kootenay): I think so.

Mr. LADNER: Let us see how the memorandum concludes:

It is true that the tariff reductions doubtless will stimulate the importation of American equipment for the normal number of new installations which would take place even if no change had been made in the tariff, as well as for the replacements and repairs, but that stimulation can only be at the expense and not to the benefit of British Columbia metal trades employers. The lower tariff which the government have submitted to parliament will, we believe, jeopardize the position of the numerous British Columbia plants built up under the old tariff, will disrupt their organizations, lessen or eliminate their pay-roll entirely and ultimately react on the forcing interests who have inspired the government in bringing about this change in the tariff.

In other words not only will these industries which have been created to supply special demands in the logging and mining industries be put out of business, but logging and mining will also suffer as a result, and certainly will not benefit, as stated in this memorandum, to the slightest extent.

Mr. PRITCHARD: Does the hon. member consider that the Canadian tariff has been high enough during the last twelve or fourteen years to satisfy the manufacturers of this country?

Mr. LADNER: I have been endeavouring to show, and the point I wish to make is, that our customs duties have not been high enough, that the United States have maintained a customs tariff for the last fifty-five years that is from fifty to two hundred and fifty per cent higher than ours.

Mr. PRITCHARD: Why did not the hon. member's government make the tariff higher when they had the privilege of doing so?

Mr. LADNER: The United States has maintained a higher tariff with the result that it has been able to build up its industries and keep its workmen at home, and we are gradually struggling to get back to this country our workmen who have left.

Mr. PRITCHARD: Why did not your government make the tariff high enough in the ten years they were in power?

Mr. LADNER: No doubt because they encountered such a vociferous and strenuous campaign, political and otherwise, from the provinces and other portions, from the members of the present government, for instance, against any raising of the tariff. But I am not speaking for the previous government. I am simply giving my own ideas based upon some study of the historical development and upon some examination of the statistical facts to-day, and I say that if we, the northern half of this continent, had maintained the tariff of the United States we would have approximated them in population and prosperity.

Mr. PRITCHARD: If the hon. member had had the tariff high enough to suit his purpose, does he think that would have prevented the emigration that has been going on from this country? Would we have been able to assimilate all our immigrants?

Mr. LADNER: How does the hon. gentleman explain that the United States have assimilated their immigration? We are not different from the United States, except that we have a greater area, a larger acreage in wheat, greater mineral and lumber resources; in fact, we excel her in all our natural resources.

Mr. PRITCHARD: Provided you had accomplished your aim, where would you have got a market for your stuff?

Mr. LADNER: We would have got a market primarily at home, because we would have had the people to consume the produce, and in addition a situation which would have attracted capital in here. That would have enabled us to expand our industries and engage in mass production like they do in the United States, and we would have to search the world for a market for our surplus production, just as the United States is doing to-day. Instead of that, we are to-day the objects of the surplus production of the United States, and our own workmen are being driven from this country because cheap goods from China and Japan, where the

workmen work for five and ten cents a day, and from Germany and Great Britain, with their highly industrialized system, are coming into this country, and all we are doing, in the words of President McKinley, is carrying the burden and drawing the load instead of the other fellow.

Mr. PRITCHARD: Does the hon. gentleman think that the Americans have succeeded in creating a satisfactory market for the farmers of the United States when so many states of the Union have practically become bankrupt in the last few years?

Mr. LADNER: The great trouble with hon. gentlemen to my left, and I have the most kindly feelings for them, is that they make this great mistake—they look almost entirely to the interest of the farmers and grain growers rather than to the interest of the people of Canada as a whole. If the United States had adopted that policy, I mean the policy of aiding only the agricultural interest, it would not have been the country it is to-day. But it adopted a national policy and built up the United States as a self-sustaining, unifying economic entity. It now occupies such a strong position that in recent years it was able to combat the disturbing economic forces of the rest of the world, and to gain for itself the prosperity it now enjoys.

Mr. PRITCHARD: I do not wish the hon. gentleman to misunderstand me. I am just as anxious to develop Canada as he is and if we can do that by building up industries by all means do it. But I cannot understand how we are going to absorb the hundreds of thousands of people who are coming to our shores in the manufacturing industry. We do not want them on the land because there we are already producing a surplus for which we cannot find a market.

Mr. LADNER: With a real national policy we should absorb them as the United States did. Then we should have a home market. We have a certain industrial development to-day and what is the result of the application of this budget and of the low tariff that we have had for a number of years past? People have been leaving the country. It does not require many people in a community to create commercial activity; but if you take away a certain proportion of the number then there are so many less people to consume what other people produce. The policy pursued by the United States, and the figures I read a few minutes ago demonstrated the fact, has built up that country and established a home market.

Mr. MILLAR: Will my hon. friend explain why the American farmer is worse off than the Canadian farmer at the present time even though the United States has such a home market and has a population twelve times greater than we have.

Mr. LADNER: Yes, I think I can. There has been a surplus production on the other side of the line. In past years a great amount of land has been brought under cultivation and they have gone on increasing their production with the result that the supply has been greater than the demand. The depression which has prevailed has been world-wide and you cannot frame a policy to meet a temporary condition. In devising a policy we have to be guided by the experience of the past, and by the course pursued by other nations. We must try, as far as possible, to make our country self-dependent and self-sustaining. Of course, if hon. gentlemen do not believe in becoming a national entity, in building up Canada as a great self-sustaining country like the United States, I suppose they will carry on their activities on a free trade basis.

Mr. MILLAR: What is the object of going on producing if the home market is not any good?

Mr. LADNER: The people at home must live, you cannot leave them to starve. They will consume what they require, and if more is produced than is required you have a surplus and you have low prices. But that is only a temporary condition which in time will adjust itself in accordance with the economic law of supply and demand. In the course of time people who find it unprofitable to produce at these cheap prices will find that higher prices will prevail because there will be fewer farmers producing. Having supplied the home market the producers will then be able to ship whatever surplus they have to the markets of the world.

Mr. PRITCHARD: The hon. gentleman advocates protection on imports from the United States in order to create a home market in Canada. He says that is what has been done in the United States. But apparently the results achieved there have not been what were expected; the farmer has not got his home market.

Mr. LADNER: Where do they get their food? Do we send it to them?

Mr. PRITCHARD. Does not the hon. gentleman know that the prices of food products are regulated by the markets of the world?

Mr. LADNER: That is not the point. The farmers of the United States are substantially supplying the home market. My hon. friend will find there is not a great volume of agricultural products going into that country from the outside.

Mr. MOTHERWELL: This is a dialogue.

Mr. LADNER: I would not mind if the Minister of Agriculture participated in it too. He did not say very much in his recent speech and he has the opportunity to make up for it now.

Mr. MACLEAN (York): Come on in, the water is fine.

Mr. LADNER: I do not think anything is lost by a little exchange of ideas. We get up here with prepared speeches and sometimes advocate theories that are not very wise. So it does not do a bit of harm, even in the case of members of the cabinet, for hon. gentlemen opposite to exchange views with hon. gentlemen on this side.

I have departed somewhat from my notes. However, I have covered my subject in its entirety with the exception of one question and that has to do with the boot and shoe industry in British Columbia. I have a communication from the manager of a leading concern which has been in business there for a number of years. It deals with the effect of the British preference and this is what the writer says:

> Shoe workers in Great Britain only receive about half the wages that the same operators get in this country and in addition they are manufacturing their shoes from German leather and using other materials which are obtained from Germany. It is impossible for us to compete with this. We have not made any money in our manufacturing department for several years and unless things take a change for the better soon we will have to give up the manufacturing business. We are operating with about thirty-five to forty less hands than formerly and to these we can only give work four or five days a week. If the government think they are going to build up a country by cutting off the protection they are greatly mistaken. Our employees and their families and others like them will continue to drift to the States where they can get work.

There you have a business man, connected with a large manufacturing industry, writing to a member of parliament and urging him to bring before the country the conditions of that industry. A large sum of money has been invested in that industry, several scores of people are employed by it, and these men have their homes, and form a large body of consumers. The question is simply this: Is it in the interest of Canada that ten, twenty-five, forty or fifty cents be saved on a pair of shoes and an industry of this character destroyed? Is it to the interest of this country —as it has been held to be for many years past—to protect our industries or is it better instead of allowing for a period of temporary depression, to eliminate these industries and force the people employed in them to move to other countries? Should we not protect our industries so that we may have them here when times are bad as well as when times are good?

Mr. MacLEAN (Prince): Is the hon. member in favour of the British preference or would he prefer to see it abolished?

Mr. LADNER: I am in favour of protecting our industries, and if the British preference works against that principle then I say it should be modified accordingly, to keep it as it is would not be in the interests of this country. I do not think it is in the interests of this country. When we placed the proposal before the British people of a preference we were told it was not sound economically and they did not want it. I do not see why on a business principle we cannot regard this matter in the same light, and I believe we should. I stand for a reasonable protection and not for an arbitrary protection. I believe, Mr. Speaker, we should protect those industries which exist here; give them protection in order to retain them in this country and to encourage others to come here. We should protect the industries which are indigenous to the country, those which manufacture products from the natural resources of Canada; and, contrary to the views of the Secretary of State (Mr. Copp) if we follow a policy similar to that pursued in the United States since 1828 we will find that Canada will become a prosperous and happier nation; and our children will be able to live under the British flag.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. R. E. FINN (Halifax): In rising to offer some remarks on the budget that was presented to parliament on April 10, I desire first of all to tender my sincere felicitations to the Acting Minister of Finance (Mr. Robb) on the able presentation he made to the House of the conditions of the country and the fiscal changes that are to be made to bring about, as I hope and believe, beneficial results to agriculture and the other

pursuits akin thereto, as well as to the great industrial activities throughout Canada. The Acting Minister of Finance is to be congratulated on the lucidity of that presentation, and to be commended on the fact that so short a space of time sufficed him in which to make so important an announcement to this House; for within the four corners of his comprehensive budget there is spelt the future prosperity of this Dominion, or at all events, undoubtedly, the prosperity of the country in the coming year. I am sure that hon. gentlemen will congratulate the minister most heartily not only from this side of the House but from the ranks of those who represent the people of western Canada, the Progressives; and I am inclined to think that in the hearts even of hon. gentlemen of the official opposition there is a feeling of admiration for the acting minister. But because of party considerations those gentlemen are prevented from either congratulating the Acting Minister of Finance, or giving credit to the government led by the Prime Minister (Mr. Mackenzie King).

I regret very much the absence of the Minister of Finance (Mr. Fielding) who, had he been able to be with us this year, would have delivered his eighteenth budget speech. I am sure that every hon. gentleman in this House, irrespective of party affiliations, will join me, as a fellow Nova Scotian with the Minister of Finance, when I say that there is no outstanding figure in Canada comparable with him to-day; nor is there any hon. gentleman in this House or outside of it, who excels him in sterling integrity and nobleness of character, and in those other fine attributes that make him the princely man that he is—the little gray man from the East. When I look back on the record of the Minister of Finance it is with a degree of pride and pleasure that I call him the son of Nova Scotia. Perhaps the first political thoughts I had I gathered from him as a young man in the city of Halifax; the political ideals I possess to-day I gleaned from him in my early life when he was the Premier of Nova Scotia. And later on in the parliament of Canada he and the late lamented chieftain of the Liberal party, the Right Hon. Sir Wilfrid Laurier, inspired me with political principles which I hope, with God's grace, to carry with me to the grave. I hope therefore that the day is not far distant when the Minister of Finance will again meet with us in this House, if not immediately to assume the onerous duties inseparable from the administration of his department, at least to take an active interest in the government of the country. I trust that, so far as his health will permit, he will be able to give his wise counsels to the government, to this House and to a country which he helped to make grand and great. The fiscal policy known as the Laurier-Fielding tariff, of which he was primarily the author, was instrumental in bringing about that golden era of fifteen years; and Canada's position under the influence of that policy is a sufficient answer to the carping criticisms of hon. gentlemen opposite who would have the people believe that the administration of their affairs by the Liberal party seeks to cripple industry and to undermine the foundations of our national life. During the eighteen years that the Minister of Finance has been in office his administration of the Department of Finance has been such that no criticism of the kind we have been hearing can stand. But such criticisms, I am free to confess, I do not believe are shared by all those who happen to disagree with us; they come more from some hon. gentlemen whose views are well known to this House.

Now, Sir, it is very reassuring to the country that within three years of the government succeeding to power and after a period of acute financial depression and of pronounced industrial inactivity, due to post-war conditions, the Acting Minister of Finance is able to announce a surplus of $30,000,000. Leaders in the financial and commercial world were of opinion that if we could balance our budget this year the government would be doing its full duty to the people. In a word, the budget is an indication that Canada is getting on her feet again and coming back into her stride of 1896 to 1911—a stride that would have been quickened and sustained had the Right Hon. Sir Wilfrid Laurier been returned to power to put into force the reciprocity pact, which would have given to all parts of the Dominion, but particularly to its extremities, that prosperity for which we have been waiting since 1911, that prosperity which the junior member for Halifax (Mr. Black) has promised the constituency that I have the honor to represent.

When the Liberal party came into power in 1896 the total revenue of the country was only $37,000,000 and there was a deficit of $300,000. Contrast that condition with what we find to-day, an estimated revenue of $396,000,000, and an estimated expenditure—after the pruning knife has been used by the Acting Minister of Finance on the estimates and the supplementaries to be brought down—of $328,000,000. When the real significance of this is brought home to the people they

will appreciate the wisdom of the Prime Minister and his associates in bringing down the budget, which I believe spells success for the whole nation.

We have been told by our opponents that we have not kept our promises, particularly our fiscal promises. The Prime Minister has on many occasions in this House made it clear that the platform of the Liberal party of 1919—and I had the honor of being at that convention—was a chart to guide the government in taking such a course as would best meet the diversified interest of this country, commercial, agrarian and industrial. When our friends opposite charge us with lack of faith, I retort that the government has shown true statesmanship in making such fiscal adjustments as appear in the budget, without disturbing those underlying principles which govern the prosperity of all sections of the country. I remember in 1911 in the great city of Toronto—where the prayer for protection is accompanied by the prayer that they shall have nothing but eternal prohibition—I remember in 1911 when the Liberal party was appealing to the country on reciprocity the leaders of finance and industry in Toronto, who were against it, said that the keystone of the arch of reciprocity in this country was wheat. Well, Sir, if that was so, why in the budget brought down in 1919 by the then Minister of Finance, Sir Thomas White, did he put wheat and grain products, including flour, on the free list, leaving the market open to our friends to the south of us? I assert that the Conservative party were not returned to power on the policy of reducing the tariff on wheat, to the point of making it negligible. But Sir Thomas White as Minister of Finance saw the necessity of taking that course at the time, just as the Acting Minister of Finance realizes to-day the conditions which he must meet with his budget. The budget may not be four-square with every utterance of our public men on the side of Liberalism, but it is four-square with the principle that the government must do what is right. And if in the past they made the mistake of promising too much, for the future they may not make so many promises but rather do what they believe to be right at the time and therefore in the interests of the country.

Now, Sir, in 1896, when that veteran of Conservatism, the late Sir Charles Tupper, was in his prime, he spoke of the awful wail that was going forth from our industries that were being crushed and annihilated by the budget of the Liberal government, and he drew a picture of gloom and ruin that staggered the imagination of the people. But not a scintilla of evidence has been produced up to the present time to bear him out. His gloomy predictions have been repeated from time to time by the various leaders of the Conservative party who have succeeded him. But the history of this country from 1896 to 1911 completely contradicted those forebodings, and we can say confidently that the sage of the Conservative party was wrong, and with equal confidence we can say that his successors are wrong to-day.

The basic industries of this country are its very life blood. If we disregard agriculture, lumbering, mining and fishing, our economic foundation must surely fall. I do not say that these basic industries alone should be the infants, the children, the youth or the men of any government, but we must admit that they and particularly agriculture, are the foundation and stepping-stones of our national success. As the great West develops and is filled with people of the type of hon. gentlemen opposite, those people will give aid to the East and the East will in its turn by its industrial development help the West, and with East and West flourishing we will have a condition to remind us of that era of prosperity to which I referred a few minutes ago.

Coming from an industrial as well as an agricultural county, from a province which follows both these activities as well as lumbering and fishing, I would be recreant in my duty, I would be untrue to my trust, did I not say here and now that the industries of this country must receive that measure of protection which is due them in order that they may survive, in order that they may grow and prosper. But they have passed the infant stage; they are old enough now to sit up and take notice and vote when occasion requires, and much as I desire to stand behind industry, I must say to them that as one of the younger men in the public life of this country it is my duty to do them justice and nothing but justice. If manufacturers availed themselves of protection in order to retain markets and to sell their goods at reasonable prices, then protection would be all right as a barrier, but the moment they take advantage of 85, 90 or 95 per cent of that protection and add it to the selling price of their goods, they stultify themselves, they wrong the working classes, whether on the farm, in the machine shop or in the fisheries. All men have a right to live, and if we approach the fiscal problems of Canada in that spirit, if we deal with those

problems in an open and aboveboard way, we shall go far to heal the breach between the different elements in this country and arrive at a solution of our difficulties that will bring us in the future that prosperity which I am sure every hon. member of this House desires, irrespective of party.

After all, Mr. Speaker, when you look at the budget brought down by the Acting Finance Minister and at various other budgets brought down previously, you find that during Conservative rule, under the Right Hon. Robert Laird Borden, under the present right hon. leader of the opposition (Mr. Meighen), as well as in the budgets brought down by the Minister of Finance (Mr. Fielding), under the present Prime Minister practically no change was made in fiscal policy, except in 1919. It is estimated that the reductions in the tariff under the present budget will be in the vicinity of $1,000,000, the major part of the total reduction, or about $23,000,000, coming from the reduction in sales tax. What was the reduction announced by Sir Thomas White when he brought his budget down in 1919? It was about $17,000,000, and he stressed the point that in the interests of agriculture as a basic industry the cost of the implements of production should be brought down through tariff reduction, but that it was not fair to do that unless there was reduction of the tariff all round; that when you reduced the duty on the implements of production you should reduce also the duties on the raw materials entering therein. It was in 1919, then, that he said the time was not ripe. This is 1924, five years later; if the time is not ripe now it never can be, unless it is rotten; therefore this is the opportune time to bring down the reductions in tariff which will help to ameliorate the condition of the agriculturist of the West, the fisherman on the sea, the miner in the pit and the lumberman in the woods, besides doing a little for industry as well. That is the happy position of this happy governmental family and its children who play behind them on this side of the House, and if hon. gentlemen on the other side will only emulate us in our desire to carry out these fiscal reforms they may be over on this side sooner than they think.

Next in importance to tariff as affecting industrial activities in this country is the question of transportation, whether by rail, on the ocean or on our lakes and rivers. It is necessary that transport rates shall be such as to permit the free access into the markets of our goods at fair and equitable rates. The industries of this country are interprovincial in their character. Canada's geographical position is such that unless we are able to establish reasonable rates over our great transcontinental system we cannot hope to build strongly and well this Dominion and to keep it intact, the East with the West and the centre with us both. Let me speak more particularly for my own province of Nova Scotia—and I do so not in any selfish or sectional way, but from the point of view and in the light of facts that unless some things are done for the Maritime provinces we will begin to die more quickly than we think, but not as quickly, I hope, as some hon. gentlemen on the other side would seem to imagine.

I would like to be reminiscent for a few moments and to carry hon. gentlemen back to the early days when we in the little province of Nova Scotia were enjoying a great measure of prosperity. It was before my day and the day of many hon. members of this House, but it was a day when the hum of industry and the din of traffic were heard from one end of our peninsula to the other. But, Sir, those days seem to have passed, and in the light of what has happened we sometimes wonder whether those who opposed the entry of our province into confederation were right, in the final analysis, or were wrong. I hold in my hand an extract from the speech delivered by Sir Charles Tupper away back in the year 1860. There is no one but must admit that the Right Hon. Sir Charles Tupper, besides possessing the retrospective view, could also look into the vista of the future, and he had a vocabulary which permitted him to express in golden words, sometimes perhaps not as measured as other men's might be, that which was going to happen in the future; and in the light of experience we wonder perhaps how he had the vision. He says:

> Independently of the great Red river and Saskatchewan country lying between Canada and the Rocky mountains, between those mountains and the Pacific—an immense country now fast rising into importance—we find these five British North American provinces, with a population larger than the "old colonies" had at the time that "the ignorance and injustice of the British government lost them,—the brightest gem of the Crown of England."

We hear, Mr. Speaker, of Imperialists; we hear of patriotism; we hear of standing by that great national unification even at the expense of our future, industrial and commercial, yet Sir Charles Tupper never lost the opportunity to hit where the hitting was good; nor did Sir John A. Macdonald refuse to do so when he brought down his National Policy, and when in reply to a question how it would affect the Motherland he said, "So much the worse for the Motherland." They stood for Canada, but when we on this side of the House attempt to make an utterance

that we should stand behind our country first and foremost, we are branded as disloyal, we are held up to ignóminy, and we are criticized to such an extent that even some of our own followers begin to believe it after a while. But our first duty is to Canada. The tie that binds us to the Motherland to-day is a tie of sentiment, a tie of love because of her looking towards us, and because of her protection during those many years. We have been the brightest gem in her diadem, and if that is so, then it must be that we to-day must consider first the future of Canada, and afterwards that of the Motherland and all parts of the British Empire, because she as the mother of nations is well able to look after herself, and we as one of her children are growing into nationhood, and that nationhood cannot be kept back from us; it can only make us stronger and greater, to be a bulwark behind her in the future, as she has been behind us in the past.

What, in 1860, did Sir Charles Tupper say in reference to the reciprocity pact incorporated in the treaty of 1854. He said:

> The Reciprocity treaty has undoubtedly largely benefited both the provinces and our American neighbours. The proposal to abrogate that treaty, although mooted in the States is not very likely to be seriously entertained by a country whose trade with the British North American colonies, has, under its influence more than trebled within four years, having risen from sixteen millions in 1850 to sixty millions in 1856; employing a tonnage of over three and a half millions of tons upon the lakes and the Atlantic coast, half of which belong to the States. The evidence that these colonies are destitute of all influence with the Imperial government lies around us in thick profusion. Never were the interests and feelings of subjects more trifled with than have been ours in a question of the most vital importance.

Away back in 1860, seven years before confederation was realized, did Sir Charles Tupper work, did he argue, did he plead for the building of the Intercolonial railway in order that interprovincial traffic might move between Upper and Lower Canada and the Maritime provinces, perhaps in a union less than the confederation we have to-day, and that is the reason why we in the Maritime provinces still hold to the principle that later under the terms of confederation, under section 145 of the British North America Act, guarantees were given us that the Intercolonial railway would be built from the city of Halifax to a point on the St. Lawrence river, in order to open up avenues for transportation, and to give us in lieu of our coast trade relations with the United States, where our traffic was water-borne, the markets of central Canada, and of western Canada also as that country grew and developed. I submit that that section in the British North America Act carried with it an inference that the rates over the Intercolonial would be such as to permit us to get into the competitive markets of Canada, both in central Canada and in the West as that country grew and developed. That, Sir, was the keynote of our entry into confederation, and I intend a little later to deal with the question as to how far the feeling in connection with this particular subject has been met with sympathy by the governments of this country.

Sir Charles Tupper goes on to say:

> The night of darkness that now enshrouds the prospects of these provinces in connection with their railway operations will be but the harbinger of a bright and glorious morning of advancement and prosperity and in a brief period we shall possess a continuous line extending from Halifax to Windsor, opposite Detroit.
>
> Our climate is more healthy than that of England; the fertility of the soil is unsurpassed by her; our geographical position, relative to the new world is the same as she occupies to the old; our equally magnificent harbours presenting the same facilities for commerce; while the iron, coal and limestone—the possession of which has rendered her the great manufacturing mart of Europe—here abound to any extent in close proximity and of the most excellent quality.
>
> Who can doubt that under these circumstances, with such a confederation as these five provinces, to which at a future day the great Red river and Saskatchewan country, now in possession of the Hudson's Bay Company, and British Columbia, will be added—as would give us the political position due to our extensive area, our resources and our intelligent population, stretching from the Atlantic to the Pacific, would in a few years exhibit to the world a great and powerful organization, with British institutions, British sympathies and British feelings.

When the day came for the actual bringing about of confederation, there was in our little province of Nova Scotia a champion of a cause other than that of confederation, and he was a champion worthy of his adversary's steel. It was the Hon. Joseph Howe who was being carried away from the paths that led to confederation. And when we of this new school look back at those days in the light of what has happened we wonder whether or not Mr. Howe was right in regard to certain matters. If he was, then we were wrongly forced into confederation—as was said by my hon. colleague the junior member for Halifax (Mr. Black)—at a time in 1867 when the people were not permitted to vote upon the issue. That is the testimony borne to this fact by my hon. friend, and he does not belong to my school of thought or to the party to which I owe allegiance. To continue my quotation from Sir Charles Tupper:

> He made much capital—

That is Mr. Howe—

> —out of my failure to submit the issue to a vote of the people, claiming that they had been dragooned into

union, and ascribing a large share of the responsibility to the Imperial government. These arguments made a deep impression upon the masses to whom the people of the upper provinces were utter strangers. Howe in a public speech made this threat—"The sooner it is known the better; the people of Nova Scotia are determined to defeat this idea of erecting a new dominion in British America; they are determined that not a pound of their capital shall go to paying the debt of Canada, that not an acre of their province shall come under Canadian rule, that not a man of their militia shall be liable to be marched up to the backwoods of Canada to fight the battles of faction or to prevent Canada from burning down parliament buildings or pelting governors through the streets."

Sir Charles Tupper in his book Reminiscences of Forty Years says that Howe's appeal distorted the issue and touched a sore point when he said that Nova Scotia would not be taxridden to support Upper Canada. He went on to say:

Early in 1868 Howe and a number of other delegates bearing numerous petitions asking for the relief of Nova Scotia from the union were despatched to England. The Imperial government refused the appeal. The House of Commons of England by a vote of 181 to 87 refused to appoint a royal commission.

After the first session of parliament in 1867 Sir John Macdonald asked Tupper to go to London to oppose Howe's move. Tupper said:

On reaching London the first man I called on was Howe. He was not in, but I left my card. Howe returned the call and on greeting me he said: "I cannot say I am glad to see you, but we have to make the best of it."

Tupper replied:

I will not insult you by suggesting that you should undertake the mission that brought you here. The government and the Imperial parliament are overwhelmingly against you. He replied "I have 800 men in each county in Nova Scotia who will take oath they will never pay a cent of taxes to the Dominion and I defy the government to force confederation."

Tupper replied:

"Howe, you have a majority at your back, and if you will enter the cabinet and assist in carrying out the work of confederation you will control all the provincial patronage, and you will find me as strong a supporter as I have been an opponent."

These are Sir Charles Tupper's own words as written in his own book—that he held out to the Hon. Joseph Howe the patronage of Nova Scotia if he would give up his fight against confederation. Tupper said that Howe was completely staggered, and two hours of free and frank discussion followed:

I told him that between us we could rally to his support three-quarters of the wealth, education and influence of the province. That very night I wrote Sir John A. Macdonald that I had no doubt Howe would become a member of his cabinet.

I was told a few days later by John Bright that he had accepted Howe's invitation to move a resolution in favour of a commission of inquiry.

He goes on to say:

[Mr. Finn.]

I then warned him that the disruption of confederation meant absorption of the various provinces by the United States. Howe replied "I cannot help thinking, Tupper, that it would be a grand thing to see one government rule from the Equator to the North Pole." He then asked me if there was any danger of a revolt in Nova Scotia. I replied that the worst revolt I had expected was to see Howe become a member of Sir John Macdonald's cabinet within six months, requesting him to regard the communication as confidential. Mr. Howe became a member of Sir John's administration six months later, accepting the presidency of the council.

In the session of 1870 the opposition made a most determined onslaught on the government, whose fate was trembling in the balance. Sir John Macdonald came to me and insisted that I must enter his government. Mr. Howe's health was anything but satisfactory, and he was never heard at his best. In the election of 1872 Mr. Howe's health gradually became worse. I knew his ambition was to become a Lieutenant Governor of his native province and Mr. Howe was nominated for that high honour on my recommendation. Before leaving Ottawa, Mr. Howe gave a farewell champagne luncheon. His parting admonition being "Boys, I want you to stand by Tupper as he stood by me." Poor Howe returned to Nova Scotia and had only been an occupant of Government House for three weeks when he died. and the curtain came down on the first act of the drama with the action of bringing about confederation in this country.

Well, Sir, right on this very spot Howe and Tupper both sat in parliament and in the first session after confederation in 1867, Sir Charles Tupper spoke—there was a movement on foot to bring about the repeal of the union—of Canada's future and our place in confederation. He said, and I quote from Hansard:

The old province of Canada, notwithstanding its immense territory and great natural resources, could never attain an important position while for five months in the year it was cut off in access to the ocean and compelled to communicate with the parent state through a foreign country. The Maritime provinces below, comparative small and insignificant, could never hope to occupy a position of influence and importance, except in connection with their larger sister—Canada. No man could look at the geographical position of Nova Scotia without feeling that Providence intended that we form a great highway of communication between not only the sister colonies behind us, but also a large portion of the European world. Yet my hon. friend knows—

Meaning Howe—

—that after he had laboured with great ability for a quarter of a century to accomplish the construction of the Intercolonial railway the effort had failed as it had become perfectly apparent that the great work could never be accomplished by the union of two Canadas and Nova Scotia and New Brunswick under one government. Not only has this great boon been secured for our province but it is impossible to glimpse the geological characteristics of Nova Scotia without seeing that Providence has given us all the elements of a great manufacturing industry. Our province, is rich with vast deposits of iron, coal and lime stone, the minerals which have made England the emporium of the manufacturers for the world. Yet with all the mineral wealth it was obvious that without a union which would throw down the barriers of our manu-

facturing industry and open our commercial interests with our fellow colonists, we must be content largely to forego the great material advantages which nature had bestowed. Union has now given us a population of four millions instead of four hundred thousand.

As regards the extension of our commerce it is well known that the ablest politicians expended their best efforts in a vain effort to extend commercial intercourse between the different provinces. They failed because free trade involved the principle of union under one government which alone could secure a common tariff. If we wish to estimate what free trade with each other will do for us, we have only to look at its effect in other countries.

Sir Charles Tupper speaking in 1867, said:

I admit frankly that the Union party have been thoroughly and handsomely beaten at the recent general election in Nova Scotia, but I am happy to be able to relieve this House from the apprehension that an overwhelming majority of the people of that province are determined to obstruct and break down the union which has been formed.

My hon. friend, Mr. Howe, at a large meeting at the Masonic Hall, Halifax, previous to the election said—"Let us hope that the Canadians will act justly, if they do we should aid them to work the new system fairly." Howe said that what they wished for Nova Scotia was that she might be the frontage of a mighty colony upon which, it may be truly said, the sun never sets. No man can look upon Halifax and its environs, its harbor, its citadel, and say it was made for this province alone.

The Hudson bay territory includes two hundred and fifty miles, throwing aside the more bleak and inhospitable regions. We have a magnificent country between Canada and the Pacific, out of which five or six provinces can be formed, larger than any we have and pressing to the end of industry and to the eye of speculation for variety of soil, climate and resources. With such a territory as this to over-run, organize and improve, think you that we shall stop even at the western points of Canada or even on the shores of the Pacific? Vancouver island with its vast coal measures lies beyond the beautiful islands of the Pacific and the growing commerce with the ocean are beyond populous China and the rich East are beyond. The sails of our children's children will reflect as familiarly the sunbeams of the South as they now brave the angry tempests of the North.

The Maritime provinces which I now address are but the Atlantic frontage of this boundless and prolific region—the wharves upon which its business will be transacted and beside which its rich argosies are to lie. Nova Scotia is one of these. Will you then put your hands unitedly with order, intelligence and energy to this great work?—Refuse and you are recreant to every principle which lies at the base of your country's prosperity and advancement; refuse and the Deity in writing on land and sea is to you unintelligible language; refuse and Nova Scotia instead of occupying the foreground as she now does should have been thrown back, at least behind the Rocky mountains. God has planted your country in the front of this boundless region, see that you comprehend its destiny and resources; see that you discharge with energy and elevation of soul the duties which devolve upon you in virtue of your position."

That, Mr. Speaker and hon. members, was the glowing word picture drawn by Sir Charles Tupper, in order to placate the hearts and minds of the people of Nova Scotia and New Brunswick that they were doing the right thing in coming into confederation. I am convinced that Sir Charles Tupper in his heart believed in confederation, and he felt that as the great West and the rich mineral province of British Columbia developed, we in the East, with the port of Halifax unequalled or unsurpassed by any ports in the world, would also develop, and that the great agricultural products from the West and the production of industry in Ontario and Quebec would flow down to the Maritime provinces over our Intercolonial railway and pass out of our port—the eastern gateway—to the markets in all parts of the Empire and to foreign lands. But I regret to say to-night that our hopes in that respect have not been realized.

We in Nova Scotia are feeling to-day the pinch of hard times; but these hard times are not due to the government or to the inaction of the government of this country. Conditions exist over which the government to-day have no direct control, but I believe, Sir, now that we have co-ordinated these great transcontinental systems of the country, with that great personality, combining high character and technical ability, Sir Henry Thornton, placed at the head of them, we are going to see a different state of affairs in the Maritime provinces. I speak more particularly for the province of Nova Scotia. Sir Henry Thornton's handiwork is already shown in our province, amongst our working classes, and I propose to place before this House and the country to-night at a little later stage some facts which will back up the statement I have made in reference to him. We were told by hon. gentlemen opposite, when in power, when they undertook to purchase the railway systems of Canada and to co-ordinate and organize them into one great system, that the politician should take his hand off the road, and that the government should have no direct relations with the board of management of that great National Railway system. That was the attitude of the late president of that system, Mr. Hanna, and his assistants. When we had our difficulties in the East and approached him in reference to them he stated in the city of Montreal that all his troubles were east of Montreal. It was felt that he did everything he could for central Canada, particularly that portion radiating from the city of Toronto, and that he cared very little at all for the future interests of the Maritime provinces. I do not say that unkindly of Mr. Hanna, but I think his vision was somewhat circumscribed by the environment in which he had lived so long, together with the late Sir William Mackenzie, Mr. Z. A. Lash and Sir Donald Mann. But, Sir, that now is by the way. I believe that Sir Henry

9 p.m.

Thornton will do his duty by the people of Canada. I look upon him as one of the biggest assets which this country possesses. If he never directed that technical mind of his to the administration of this railway, but devoted himself to the interests of the people of Canada generally, and applied himself—possessed as he is with a wonderful personality—to the future development of this country, we would not be paying him too much when we paid him $50,000 a year. But having taken hold of the railway system and, within a little over a year, established an esprit de corps in every part of the system, he has made the men feel that the road belongs to them and to the people, and that it is their child to look after, to nurture, to develop and to work for. Under these circumstances the road cannot fail; no more can Sir Henry Thornton fail.

I therefore say, Mr. Speaker, in reference to the Canadian National Railway system and its operation, that the cutting down of and final obliteration of the deficit within a few years will be largely the work of that wonderful mind, of that great railway magnate, who has associated with him capable men as his assistants, to gather in the business for the railroad and to give to the people a first-class service with up-to-date equipment, modern trains and quick despatch.

These are the outstanding points in Sir Henry Thornton's management, and I think it is only fair that expressions of this kind should come from hon. members in this House; for I believe that Sir Henry Thornton's heart is in this country and with its people, and the one thing that will encourage him will be the success not only of the Canadian National system but of the people who make up our population of eight millions to-day.

I desire now to put on record a comparison of the exports from Halifax, Nova Scotia, and St. John, New Brunswick, for the years, ending March 31, 1920-24 inclusive, as to both quantity and value of wheat, flour, apples and general merchandise shipped from these ports. I am not going to read the details of the statement, but I will submit it for publication, because it is food for thought not only for hon. gentlemen in this House but also for the people of the country who have at heart the future welfare of the port of Halifax. The figures I am about to give are interesting as showing the relationship of Halifax to its sister port of St. John, and the relationship of both these ports to the rest of Canada. And I hope that especially the two hon. gentlemen who occupy seats in this House representing St. John, as well as other hon. gentlemen from New Brunswick and Nova Scotia, will take the facts into consideration. I find that during the five years referred to the total quantity of wheat exported from St. John was 48,792,175 bushels and from the port of Halifax 2,861,612, leaving a balance in favour of St. John of 45,930,563. The value of general merchandise exported from St. John during the period 1920-24 inclusive was $229,082,492, while the value of the general merchandise exported from the port of Halifax during the same period was $116,883,558. This, it will be seen, leaves a balance in trade value in favour of St. John of $112,198,934. Now, the total value of exports from St. John during these years was $354,214,082, and the total value of exports from Halifax amounted to $173,255,633; or a trade balance in favour of St. John to the extent of $180,958,449.

I come now to the export of wheat for the four years prior to 1920, that is to say, for the period 1915-19. I have not given this period in conjunction with the figures I have just quoted, because I have not the value of the products for these years. I find however that in 1915 we exported 588,657 bushels of wheat from Halifax whereas there was exported from St. John 5,966,542. Lesser amounts for Halifax in the four succeeding years total 5,161,818 bushels as against a total from St. John of 40,749,860. In other words, there was a balance during those four years in favour of St. John of 35,588,042 bushels.

COMPARISON of Exports from Halifax, N.S. and St. John, N.B., for the Years ended March 31, 1920 to 1924 Inclusive

Quantity and Value of Wheat, Flour, Apples and General Merchandise Exported

	1920		1921		1922		1923		1924	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Bush.	$	Bush.	$	Bush.	$	Bush.	$	Bush.	$
Halifax, wheat	2,662,068	6,555,626	199,084	516,548	Nil	Nil	300	516	160	248
St. John, "	13,338,174	34,674,844	7,877,996	19,183,805	6,659,747	9,596,018	9,513,392	12,023,083	11,402,896	12,954,621
	Bbls.		Bbls.		Bbls.		Bbls.		Bbls.	
Halifax, flour	565,102	6,109,146	669,242	7,912,233	569,695	4,781,602	567,001	3,974,688	597,289	3,983,796
St. John, "	925,983	9,762,494	687,123	7,059,296	749,674	5,297,623	1,066,368	6,268,438	1,313,309	6,994,959
Halifax, apples	486,739	2,435,532	869,855	5,006,492	1,131,132	4,988,433	1,096,560	4,652,195	1,273,824	5,455,020
St. John, "	20,599	140,552	82,325	621,565	30,736	220,209	28,818	147,813	41,249	186,270
Halifax, general merchandise		38,025,980		22,450,121		14,737,004		20,640,002		21,030,451
St. John, "		67,386,041		54,273,340		34,337,605		36,281,240		36,804,266
St. John, value of exports		111,963,931		81,138,006		49,451,455		54,720,574		56,940,116
Halifax, " "		53,126,284		35,885,394		24,507,039		29,267,401		30,469,515
Balance of trade in favour of St. John		58,837,647		45,252,612		24,944,416		25,453,173		26,470,601

St. John, Total Export of Wheat	48,792,175	Bushels
Halifax, " "	2,861,612	"
Balance of wheat export in favour of St. John	45,930,563	"

Value General Merchandise exported St. John, 1920–24 inclusive	$ 229,082,492
Value General Merchandise exported Halifax, 1920–24 inclusive	116,883,558
Balance in favour St. John	$ 112,198,934

	Total Value of Exports	
	St. John	Halifax
1920..	$111,963,931	$ 53,126,284
1921..	81,138,006	35,885,384
1922..	49,451,455	24,507,039
1923..	54,720,574	29,267,401
1924..	56,940,116	30,469,515
	$354,214,082	$173,255,633
Total exports from St. John..		$354,214,082
Total exports from Halifax..		173,255,633
Bal. in favour of St. John.. ..		$180,958,449

Comparison of Exports from Halifax, N.S. and St. John, N.S., for the years ending March 31, 1915 to 1919 inclusive

	Wheat	
	Halifax	St. John
1915..	588,657 Bushels	5,966,542 Bushels
1916..	687,133 "	6,600,135 "
1917..	509,443 "	7,926,500 "
1918..	926,825 "	8,168,728 "
1919..	2,449,760 "	12,087,955 "
Total..	5,161,818 Bushels	40,749,860 Bushels
Total export from St. John..		40,749,860 Bushels
Total export from Halifax..		5,161,818 "
Bal. in favour of St. John.. ..		35,588,042 Bushels

	Wheat	
	Halifax	St. John
1920..	2,662,068 Bushels	13,338,174 Bushels
1921..	199,084 "	7,877,966 "
1922..	.... "	6,659,747 "
1923..	300 "	9,513,392 "
1924..	160 "	11,402,896 "
Total..	2,861,612 Bushels	48,792,175 Bushels
Total wheat, 1915-24, St. John.. ..		89,542,035 Bushels
Total wheat, 1915-24, Halifax.. ..		8,023,430 "
Difference in favour of St. John..		81,518,605 Bushels

Comparison of Export from Halifax, N.S., and St. John, N.B., for the years 1915 to 1921 inclusive

Quantity of grain (grain includes barley, beans, buckwheat, corn flaxseed, oats, peas split, peas whole, rye and wheat)

1915..	950,805 Bushels	8,615,898 Bushels
1916..	3,624,387 "	12,124,303 "
1917..	2,675,669 "	16,003,411 "
1918..	6,703,946 "	14,319,703 "
1919..	2,916,117 "	16,406,053 "
1920..	3,074,142 "	14,760,461 "
1921..	766,166 "	9,985,874 "
Total..	20,717,232 Bushels	92,215,703 Bushels
St. John export of frain..		92,215,703 Bushels
Halifax export of grain..		20,717,232 "
Bal. in favour of St. John..		71,498,471 Bushels

The total exports from Canada to the United States and to other countries, via the United States and via Canadian seaports, as at March 31, during the years 1920-24, were as follows:

	Total Exports	Exports to United States for consumption there	Exports to other countries via United States	Exports via Canadian ports.
1920.. ..	$1,286,658,709	$501,130,117	$168,656,140	$616,872,452
1921.. ..	1,210,428,119	560,701,936	175,979,961	473,746,222
1922.. ..	753,927,009	304,104,177	147,427,414	302,395,418
1923.. ..	945,295,837	380,347,721	210,336,437	354,611,679

There is a statement which shows the relationship of the ports of Halifax and St. John to our export trade with the Old Country not only through Canadian ports but through United States ports. When I read these figures and realize these conditions I am sad at heart. But I am determined, Sir, in so far as my humble ability will permit by assiduous efforts to bring a greater measure of success to the port of Halifax. Last week the hon. member for Brantford (Mr. Raymond) said in the course of his address that we should be 100 per cent Canadian. I would not have the people of my native province misunderstand me. Of course, our grain growers and grain brokers have the right to route their shipments through American ports, but with our great transcontinental system of transportation and with the dock facilities which we have at Halifax and St. John, there is no justification for one pound of Canadian freight being exported through an American port. We desire that our grain growers and grain brokers should be 100 per cent Canadian. Nova Scotia having made great sacrifices—and yet to-day we have only one railway, the Intercolonial—and we together with the rest of Canada having spent $1,138,600,430 and pledged the credit of the country in order to give the Canadian West transportation facilities to ship the products of their labour to the markets of the world, surely it is up to the grain growers and the grain brokers of the West, to see that their wheat is exported in summer through the ports of Montreal and Quebec, and in winter through the ports of Halifax and St. John. Surely, Sir, that is not asking too much of them. With the freight rates the same to all the Atlantic ports, it is the duty of our shippers to build up the ports of their own country by exporting their products through them. If the trade returns show that that is not being done, then we in the East will demand from the government, whether it be Liberal or Conservative, that an export duty be placed on products exported through American ports. In this way we would hope to help our people to be patriotic and use those avenues which God and nature intended we should use—when we became a confederation—if we in the East are ever to enjoy the same prosperity that we have contributed in building up in our growing West. We are not envious of the advancement of the West, but the people there must remember that the pioneers of this country, were the men of the East—the men who blazed the trail and made possible this great confederation, and carved out the western provinces. The people of the West must

remember too the financial sacrifices we have made in order to build up a strong and great nation, and so remembering I feel confident they will act in a spirit which will unite East and West, and, developing along these lines, I am confident we shall become a mighty nation in that great Empire to which we are all so proud to belong.

Those are the sentiments that are burning within my heart to-night, and I feel that this well-considered and deliberate statement is due my province and my city, it is due that wonderful port of Halifax which showed its worth to the Empire during those trying days from 1914 until 1918, when as many as 209 ships were at anchor in Halifax harbour and Bedford basin, ranging from 3,000 to 45,000 tons, and yet in that magnificent harbour you could hardly see them. There they lay secure from submarine attack, to the chagrin of Germany. Having been in time of need one of the greatest naval and marine ports—which helped to save the Empire and civilization—surely now in time of peace we are entitled to take our place and bear a part in bringing about that abundant prosperity which is about to bless the Dominion. This all relates to the question, not more particularly to export trade than to interprovincial transportation and freight rates; because it is desirable that the commodities we raise may go into the central and western provinces and that the things we need shall come back to us from those industrial and agrarian centres.

Two years ago, before I had the honour of occupying a seat in this House, the very vexed question came up of the Crowsnest pass agreement. That was an agreement entered into some years ago by the government with the Canadian Pacific Railway Company whereby through the construction of the Crowsnest pass railway and a subsidy of $3,500,000 a specific reduction was to be made in rates upon classes of merchandise such as grain and grain products, certain classes of fruit, coal oil, cordage, agricultural implements, iron, including bars; all kinds of wire, window glass, paper for building, roofing, paints of all kinds, live stock, wooden ware, household furniture, and the reductions in the rates were from 33 1/3 down to 10 per cent. At that time the Canadian Pacific, for and in consideration of this $3,500,000, entered into that agreement in connection with grain and grain products and the other articles that I have enumerated. Under the War Measures Act the Crowsnest pass agreement was held in abeyance and the rates that should have been charged under it were not permitted to be charged, the general freight rates as affecting all railways in Canada on the mileage basis being put into effect. These rates continued during the war, and when the percentage increases came, first of 15 per cent, then the 25 per cent under the McAdoo award, the increases applied to the Crowsnest pass agreement, except the 15 per cent, the first percentage increase, which was merged in the 25 per cent increase so far as the West was concerned in relation to the Crowsnest pass rates, and we in the East and in central Canada had to pay the 25 and the 15 per cent, a total of 40 per cent. The time came when our western friends felt that the Crowsnest pass agreement should again be put into effect. As hon. gentlemen know, the government of the day handed the investigation of this vexed question over to a special railway committee. I had the honour at that time of representing the government of Nova Scotia, of which I was a member, before that committee, and on behalf of Prince Edward Island and New Brunswick also I presented the case of the Maritime provinces. It had been stated by the Railway Commission that if the Crowsnest pass agreement was brought into effect they would not be able to give a general decrease in the rates on the necessaries of life which they would give if the agreement was further suspended, and it was intimated that the decreases in rates on the necessaries of life throughout Canada would be 20 per cent. But after thorough investigation the special committee of which my late colleague, now Hon. Mr. Justice Maclean, was chairman, made a report to parliament, and that report was adopted. The report stated that the Crowsnest pass rates on grain and grain products should be put into effect on the sixth day of July of that year, and that there should be a further suspension in reference to the commodities I have mentioned for a period of one year and a further suspension for another year if the Governor in Council saw fit.

A further recommendation was made to the House and approved, it is the one in which I am particularly interested, and I know that hon. gentlemen from New Brunswick and Prince Edward Island are also interested in it. While this recommendation had not the force of law, it had moral force behind it. I urged before the special committee that the Maritime provinces situation was one of special character because of the conditions under which the Intercolonial railway was constructed as a result of the confederation agreement. I contended that there was an implied obligation necessarily attaching to those terms which guaranteed to them special consideration in regard to railway freight rates

on account of distance from the central and western markets. The rate increases interfered greatly with interprovincial trade and were contrary to the obligations of the government of Canada accepted at confederation. The railway management was therefore asked in the report to take cognizance of the situation and endeavour to arrange such a reduction of rates, having regard to the actual cost of operation of these railways, so as to remove as far as possible the difficulties complained of, and that the Board of Railway Commissioners should for the same reason and in so far as their jurisdiction extended restore the differential rate formerly applicable to the traffic to and from the Maritime provinces. The recommendation made by the committee and accepted by parliament was as follows:

> We recommended that the Minister of Railways and Board of Management take steps to meet the situation in these provinces by a substantial reduction in rates. The claim of the Maritime provinces with regard to local rates is a matter for the consideration of the Minister of Railways and the management of the Intercolonial railway. The committee recommended the suspension of the Crowsnest pass agreement except in respect of grain and flour for one year from July 6th, 1922, with power to the Governor in Council to suspend for a further period of one year. The recommendation of the committee for the further suspension of the Crowsnest agreement is made in view of the great necessity of a general reduction in freight rates on basic commodities as a whole and in what is considered to be the general public interest. Basic commodities which may be afforded reductions should have the earliest possible consideration by the Board of Railway Commissioners.

I should like to refer to the situation which was created by the legislation known as the Railway Act of Canada. That was the act providing for the consolidation and co-ordination of the great Transcontinental systems. The Grand Trunk and the Intercolonial were absorbed into the National system and the Intercolonial passed from that management to the management of the Canadian National Railway Board, in charge of all the railways grouped under the Canadian National Railway system. The Grand Trunk for some time after it was taken over was under an independent chairman and board headed by Sir Joseph Flavelle, and on the final co-ordination of these railways Sir Joseph Flavelle and his associates retired, and later Mr. Hanna and his associates. I would point out to the House that the Railway Commission addressed themselves to the problem of delivering a judgment in reference to the case that had been before them for something over a year and a half, that was the case of the restoration of the arbitraries from the Maritime provinces over Montreal to Port Arthur and Fort William, and west of Port Arthur and Fort William to the Pacific coast. The Railway Commission—which had been holding back from adjustments in connection with freight rates until parliament had determined what should be their course in reference to the further suspension or the bringing into force of the Crowsnest pass agreement—in so far as grain and grain products were concerned—made a general reduction of only 7 per cent, which was scarcely felt by industry in the transportation of manufactured articles east and west in this country. I say that that was another evidence of our willingness to help our Canadian West, in asking parliament to live up to the agreement that was entered into in good faith. The result was that we did not receive in the Maritime provinces any reduction in our arbitraries, and we have been labouring under that great disadvantage since the Crowsnest pass agreement was put into effect some two years ago.

The War Measures Act was used as an instrument to accomplish something that the parliament would not have done, and I lay it at the door of some hon. gentlemen opposite who sat in the government of Sir Robert Borden, and those who succeeded Sir Robert Borden with the right hon. leader of the opposition at their head. The first thing they did to basic industry in the provinces of Nova Scotia and New Brunswick, in the city of St. John and Halifax was this: The McAdoo award of August 6, 1918, came into effect under order in council passed under the War Measures Act. Sugar in the United States was not in the commodity class, but in the fifth class, and under the War Measures Act the government applied the McAdoo award to the refineries in the Maritime provinces, and the result was that the rate on refined sugar, which hitherto had been a commodity rate, was changed from commodity to fifth class, and 25 per cent added, the Chicago award came later with an increase of 40 per cent, and the new rate applied to these two great industries in the Maritime provinces, the one in my own constituency, the Acadia Sugar having over 500 employees with an average of three to a family, or 1,500 people, just outside the limits of the town of Dartmouth. The same rate applied to the Atlantic refinery in the city of St. John. The rate for forty years from 1878 had remained constant until the knife was put into those rates under the War Measures Act and due to an American award, with the result that the rate was increased from 19 cents to 52½ cents, and as high as 60 cents finally, as against 19 cents in 1917 and 22½ cents in the early part of 1918. Could any industry in the Maritime provinces live under such a rate? Millions of dollars have been

put into this industry in our province by British and Scotch investors and by good Nova Scotians, and the result is that two splendid industries have been built up in the Maritime provinces that to-day are having the fight of their lives to keep their heads above water financially, and to give employment to the people who have made their homes round and about these two great refineries.

When we speak of the confederation pact in relation to the Intercolonial railway being built for the purpose of bridging the distance between the Atlantic provinces and central Canada and the West, we are told that we are talking ancient history. We are no more talking ancient history than were hon. gentlemen of the Progressive group in this House when they spoke of the Crowsnest pass agreement. That was an agreement entered into in good faith; it was an obligation, moral, legal and equitable. We may not have the legal right within the four corners of the British North America Act, but we have the moral and equitable right to demand from this parliament, from this government, and from the Canadian National Railway Board, that these arbitraries and commodity rates be restored, and that these industries in Nova Scotia and New Brunswick be put back on the solid foundation, so far as rate structure is concerned, as they were on for forty years, and that they be given a chance for their lives. The wealthy industries in the same line in the city of Montreal have at their very door a million people for their customers, and we have hardly that number in the whole of the Maritime provinces. There is the great centre of Montreal, and the great centre of Wallaceburg, in the province of Ontario. The rate on raw sugar to-day from the British West Indies, from San Domingo and from Cuba to Montreal is the same as to the ports of Halifax and St. John. The rate on raw sugar from Halifax and St. John to Montreal, is only 25½ cents per one hundred pounds, while the rate on refined sugar, which does not vary in value one per cent is 52½ cents per hundred pounds. How can we bridge that difference. That rate was increased over a hundred per cent and we have 25½ cents to-day on raw sugar from Halifax and St. John to Montreal and 52½ cents—was 60 cents before the decrease of April 14, last, on refined sugar enforced by the traffic department of the Canadian National Railway system and Canadian Pacific. I ask you how would it be possible for the industries in these two provinces to absorb the difference between twenty-five and a half and fifty-two cents and a half, and then compete in the central markets of Canada with the refiners situate in the city of Montreal? Then, Mr. Speaker, when I tell you that in summer time, when the St. Lawrence is open to navigation the water rate to Montreal is the same as it is to Halifax and St. John so that for six months in the year the Montreal refiners have the advantage of the whole 52½ cents per hundred pounds—because they have their raw sugar landed at the port of Montreal at the same rate as raw sugar is landed at the ports of Halifax and St. John—the nature of the competition which faces us in summer just as in winter, will be realized. Is that competition we can stand up against? No, Sir, it is not. So two years ago our industries were driven to acting on the principle that preservation was the first law of nature with them industrially. Accordingly they asked the steamship companies to quote them a rate on refined sugar from the ports of Halifax and St. John to Montreal. The rate quoted them was 30 cents per hundred pounds. They chartered vessels and moved sugar from these refineries to Montreal. Immediately that water rate of 30 cents became effective the Canadian National Railway system and the Canadian Pacific Railway Company brought their rates down to 30 cents, but as soon as Providence closed the St. Lawrence with ice up went the rate again to 52½ cents. Stability in rates? No such thing. No industry—let alone an industry in the Maritime provinces that has to fight for a place in the central and western markets of Canada —ought to be exposed to such rate conditions.

These are some of the conditions, some of the worriments, some of the anxieties that have been the lot of hon. members who support a government that in the final analysis is not to blame. I say that this government is not to blame because these railway rates were brought in under the War Measures Act—during the administration of Sir Robert Borden and the present leader of the opposition—which was put upon the statute books of Canada and used for a purpose for which it was never intended it should be used. But if these railway rates were made to serve that purpose during the war then immediately the war was over pre-war rates with moderate increases should again have been brought into effect and the old arbitraries restored under which we might enjoy our proper place in the industrial sun. Well, Sir, that is a specific instance of the handicaps we suffer from in the Maritime provinces. I could go on and give you other instances showing how our industrial efforts are crippled and our industrial future threatened.

When you consider that over $1,138,000,000 have been spent on the railway systems of Canada by the government and that we have

but little to show for that expenditure in the Maritime provinces it may help you to realize our position. All we have to show is the Intercolonial, and the Halifax and Southwestern railway from Halifax to Yarmouth. The province of Nova Scotia put into that road $6,400 a mile and we never got a dollar of it back when the road was handed over and made a part of the Canadian National system. The same with the railway in Inverness county towards the construction of which contributions were made by the municipalities concerned. The same with the line running down through Richmond county to St. Peters. When, as a Maritime province member for Nova Scotia, I attend the Railway committee and look at the railway map of Canada and see roads that are projected for the future in our Canadian West—almost paralleling in some cases lines already built, so that they will run within a few miles of each other—and when we are willing, in order to promote the development of that country and its future and the prosperity of its people, to share according to population the cost of that railway extension, surely we are not asking too much that any small measure of deficit that may possibly come through the reduction of rates in order to give us what we are entitled and enable us to take our place in the industrial sun of this country should be met, surely we are not asking too much but only that which is our right in all justice, and it must be conceded that we have complained less in a substantial way than any other part of Canada with respect to the vexed question of railway rates.

Now, Sir, the Crowsnest pass agreement went into effect and the result was that the arbitraries in the West are, 25 cents-new and 20 cents-old. That is west of Port Arthur. The fifth class is 12, and the old rate was 10. I want to be fair to the Railway Commission, to the government and to parliament, and to say that the rates west of Port Arthur, and the arbitraries that bore no relation to the local rate, are fair and equitable. They were adjusted and we have no complaint to make on that score. It is only with reference to the arbitraries over Montreal and west and east of Port Arthur and Fort William that we complain. Under the Crownest pass agreement it was estimated by the Railway Commission that the reduction in railway rates was equal to 30 per cent. Under that agreement these rates only apply to traffic moving from west to east because when the agreement was entered into there was no Panama canal, there was no movement of eastern grain—that is from the eastern boundary of Alberta—westward to Vancouver and down through the Panama canal to the markets of the world. But immediately that route was opened up the western farmer, the grain grower, the boards of trade, and the provincial governments made representations to the federal government and to the Railway Commission and as a result in July, 1922, the rate on western bound traffic that did not come under the Crowsnest pass agreement as to grain and grain products was decreased 20 per cent. An appeal was taken to the Governor in Council. That appeal was sent back to the Railway Commission, and on the 10th October, 1923, a further reduction on western bound traffic was made of 10 per cent. To-day traffic moving west of Fort William and Port Arthur to the port of Vancouver over the Canadian Pacific Railway, and bound through the Panama canal enjoys a reduction of 30 per cent while we in the East had to be satisfied with over 100 per cent increase in the arbitrary, and had to be satisfied, until the other day when the National Railways brought down a new schedule of rates, which came into effect on the 14th day of April. There are shown below the 1st and 5th class rates as in effect before and since the recent reduction made effective with respect to rates between Ontario points and the Maritime provinces on April 14th last:

		Classes in cents per 100 lbs			
		Old	New	Old	New
From	To	1st	1st	5th	5th
	Montreal, Que.. ..	112	112	61½	55½
	Toronto, Ont.. ..	144	125½	72	63
Sydney, N.S.	Hamilton, Ont.. ..	147½	130	74	65
	London, Ont... ..	162	144	81½	72
	Windsor, Ont.. ..	169	150½	84½	75½
	Montreal, Que.. ..	108	104	54	52½
	Toronto, Ont.. ..	130	119	65	59½
Halifax, N.S.	Hamilton, Ont. ..	133	122	66½	61½
	London, Ont... ..	147½	137	74	68
	Windsor, Ont.. ..	155	144	77½	72

The following are the distances between Winnipeg and tidewater via the Canadian National and Canadian Pacific Railways.

Canadian National Railways

Winnipeg-Halifax.. .. .. 1993 miles
Winnipeg-St. John.. .. .. 1830 miles
Winnipeg-Quebec.. .. .. 1352 miles

The above mileages are figured via the shortest route which is over the Transcontinental line.

Canadian National Railways

Winnipeg-Portland via Nakina, Longue lac North Bay, Ottawa and St. Henri.. .. .. .. 1651 miles.

Canadian Pacific Railways

Winnipeg-St. John.. .. .. 1884 miles

I submit that this is not a perceptible reduction, because it was held throughout Canada that the 7 per cent reduction that was made by the Railway Commission after the Crowsnest pass agreement was put into

effect was not appreciable; and if 7 per cent was not appreciable, I think that the rates I have quoted here to-night are far from being appreciable, and the only redress we have, so far as the traffic department of the Canadian National system is concerned, now that these rates are filed, is to go to the Railway Commission. It will be the duty of the governments of Nova Scotia, New Brunswick and Prince Edward Island to do the same as the province of British Columbia did, namely to apply for a hearing before the Railway Commission and obtain redress from them. If we fail to obtain that redress then we will have to appeal to the Governor in Council to see that justice is done Maritime industries. We will expect the same treatment from the government for the industries of the Maritime provinces as was extended to agriculture in the West during these past two years. I believe, Mr. Speaker, that the government will hearken to the fair demands of the provinces by the sea, and, that the Railway Commission will also listen to these demands, and perhaps it will not necessitate an appeal, in the final analysis, to the Governor in Council.

In the Maritime provinces we have been waiting a long while. Over a year ago I suggested to the governments of Nova Scotia, New Brunswick and Prince Edward Island that these three provinces should get together and should pay, if necessary, $10,000 to $15,000 a year, during the years in which it will be necessary, to get a first-class railway expert to come to Ottawa, to confer with the Maritime province members, irrespective of party affiliations, and to intelligently advise in order to establish the inequalities existing in the rates from the Maritime provinces to Montreal and to the West and the western rates. In summer this expert should be at Moncton, which is a central point to the three Maritime provinces. In that way I think we could have united and intelligent action, in order to secure the removal of these inequalities. If proper representations were made on the advice of the technical officer, I think the result would be satisfactory. That has not yet been done, Sir, but I would urge that it be done immediately, because there never was a time when united action on the part of the Maritime provinces was more necessary than the present. We are now given the opportunity, by the filing of these rates, to take the matter up, under the Railway Act of Canada, with the Board of Railway Commissioners, and finally with the government if it becomes necessary so to do.

Mr. BAXTER: Do I understand the Board of Railway Commissioners has any jurisdiction over Canadian National rates?

Mr. FINN: Yes, Mr. Speaker, the Board of Railway Commissioners has jurisdiction over the Canadian National Railway rates. But it has no jurisdiction—and perhaps the hon. member for St. John (Mr. Baxter) was thinking of this—over the question of the building of branch lines and their location. That power is withheld from it and vested directly in the board of management of the Canadian National Railways. The point raised by my hon. friend comes to me more clearly, because it was raised by myself some time ago, and by the hon. Minister of National Defence (Mr. Macdonald), when we were arguing before the Railway Commission two or three years ago that the Intercolonial was not subject to the jurisdiction of the Railway Commission, because it was not under the Railway Act of Canada. The point was that the board of management of the Canadian National system was the board of management of the Intercolonial railway; but the moment the Intercolonial was put within the National Railway system by order in council, then the Railway Act applied, and that railway became subject as to rates, to the Railway Commission either on application or of their own motion. These rates have been filed by the board of management of the Canadian National Railways under the Railway Act with the Railway Commission, and are there to-day.

Mr. BAXTER: They have been filed?

Mr. FINN: Yes, and the railway is subject to the Railway Commission of Canada. Now, Mr. Speaker, a question was asked in this House, either on the order paper or verbally, by the hon. ex-Minister of Finance (Sir Henry Drayton), in connection with the cost of operation of the Atlantic region of the Canadian National Railway system, and the central region of that system, and if my memory serves me aright the relationship was 82 to 1.23. The Intercolonial, with its branch lines, as you might call them, in the Maritime provinces up to Rivière du Loup is what is called the Atlantic region, and it was estimated by the technical officers in that branch of the service that it cost $1.23 to earn $1.00, and that it only cost 82 cents in the central region to earn $1.00.

10 p.m.

I do not think that the ex-Minister of Finance (Sir Henry Drayton) wanted to be unfair, but it seems to me that his comparison was unfortunate. If he does not know I will tell him that the railway from Rivière du

Loup to Montreal is the best paying section of the Intercolonial, and has the easiest grades, as well as a large traffic. Its receipts go to swell the central region fund, thus helping to reduce the cost of operations of that region. The traffic originating in the Maritime provinces for Montreal and which should be credited to the Atlantic region arising as it does either from industry in those provinces or from imports through the port of Halifax and St. John, goes instead to the credit of the central region; it is not credited to the Intercolonial. Moreover, freight accumulating at Montreal for the Maritime provinces, either purchased by our people or directed to be sent to our ports, is undoubtedly traffic which in all equity should be credited to the Intercolonial railway in the Atlantic region. But this is not done. Indeed, I find that the traffic over the Central Vermont down to Portland and New London is also credited to the central region; and the traffic on the Grand Trunk form Chicago to Portland through Montreal and, as well, down to New London, is likewise credited to the central region. So that the earnings of one of the best paying pieces of railway in Canada and the United States, the Grand Trunk from Chicago east in American territory, which has a considerable earning capacity and a great surplus, are all credited to the central region which has its headquarters in Toronto and radiates east and west, north and south. Yet the ex-Minister of Finance, coming from the province of Ontario, tries and I say this advisedly, to throw cold water upon any attempt that is made to secure a reduction in rates for the Maritime provinces, endeavouring to make out that it costs $1.23 to earn $1.00 in the Atlantic region as compared with a cost of 83 cents in the central region, notwithstanding that the central region takes to its credit all the earnings of the best paying pieces of the Atlantic roads, including all the traffic that originates in the city of Montreal and that which goes from the Maritime provinces west. This I say is absolutely unfair. At least, the Intercolonial railway should be credited with the earnings in connection with freight that originates in and destined for the Atlantic region.

I had not the pleasure of hearing the junior member for Halifax (Mr. Black) deliver his maiden speech in this House when he spoke on the Address in reply to the Speech from the Throne. I was unfortunately compelled to go south owing to ill health; I went early in January, returning in March and therefore missed practically the whole of the hon. gentleman's speech. However, I have since had the pleasure of reading it. My hon. friend in his opening remarks expressed his felicitations with reference to the announcements of His Excellency; extended his sympathy to the Minister of Finance (Mr. Fielding) and the late Minister of Justice (Sir Lomer Gouin); and also complimented the Acting Minister of Finance (Mr. Robb). After that introduction he entered upon a discussion of the position of Nova Scotia, dealing with her present conditions and her future prospects. With a great many of the statements of the hon. gentleman I am heartily in accord; but there are some things that he said which I think might better have been left unsaid. I do not think it came with very good grace from the hon. gentleman on his debut in parliament to try to convey the impression to the people that all the patriotism and all the national spirit was embodied in members of his own party, while hon. members on this side of the House were if anything devoid of all national sentiment. Perhaps before I conclude I may be able to convince my hon. friend that when it comes to practical loyalty and real national spirit we on this side have our full share, whereas some hon. gentlemen opposite, including my hon. friend himself, may be considered as being rather deficient in this respect. The hon. gentleman says:

> It is true that for many years past, I have given allegiance to the Conservative party.

From which we may gather that he has ceased to give that allegiance. If he has, he should not be where he is; if he has not, he should not have said what he did say.

> I believed in the principles of that party; I believed in confederation; I believed in the wisdom of uniting the British communities of North America in one Dominion. I believed in the National Policy, and I believed that never was national decision more wisely made than when at the outbreak of the Great War, Canada's government of the day placed itself and the country unreservedly on the side of those who sought to repel German aggression.

The government led by the right hon. leader of the opposition followed the Union government, and its brief tenure of office reminds me of the young Irishman who when about to be sentenced to be hanged was asked if he had anything to say. He replied, "Yes, I am only eighteen years of age and about to die. So soon I am done for, I wonder what I was begun for." When my right hon. friend the leader of the opposition soliloquizes on his short term of office he may well say, "So soon I was done for, I wonder what I was begun for." I do not wish to do the hon. member for Halifax an injustice, but it seems to me he desires to revive the controversy which divided the people during the war. There were differences of opinion at that time

on the question at issue. To me those differences are now a closed book. The future of our country lies with us who are marching together, forgetting the past, taking care of the present, and looking to the future. My hon. friend goes on to speak of the platform of 1919, and he used language that on reflection I do not think he would now repeat in this House. At any other time it might be excused, but not when the right hon. Minister of Finance is ill here in Ottawa after having given fourteen years of his life to the province of Nova Scotia, twelve as premier, and eighteen years to the Dominion as Minister of Finance, fifteen years under Sir Wilfrid Laurier and three years under our present leader. In view of his splendid record and his outstanding personality, I feel certain that my hon. friend would think a second time before he again uttered these words.

I ask were the commitments made in solemn convention in Ottawa in 1919 adhered to? Indeed, it is notorious that they were not. They have been more honoured in the breach than in the observance, and the breach has been repeatedly and cynically condoned by the Prime Minister himself and by the hon. Minister of Finance who, laughing in his sleeve at what he thinks is the guillibility of the electorate, advances his unworthy view that platforms are only useful to attain power. Now, Mr. Speaker, that is a too low and debasing plane on which to conduct public business; it is unacceptable and repugnant to our people; it will not wash.

I could have understood my hon. friend uttering such words in the heat of political debate; but I find that he had his speech written. Therefore he knew what he wrote, if he did not then he did not write it. Next he speaks of the by-election down in Cape Breton and pays some attention to the hon. Minister of National Defence (Mr. Macdonald). The hon. minister does not need any person to fight for him, he scarcely needs anybody to electioneer for him, for he is a whole political team in himself; he is a factor in this parliament and in this government; he is factor not only in Nova Scotia but in Canada, and is an outstanding public man whose word is listened to and believed. My hon. friend says that during the campaign in North Cape Breton in July last the press reported the same minister appealing to the electors of that riding at North Sydney on July 28th as follows:

A revision of freight rates on the Canadian National railways has been prepared and is now awaiting the return of Sir Henry Thornton from the West to put them into effect. It provides for a general reduction in rates affecting local traffic between Ontario and the Maritime provinces.

My hon. friend adds:

Polling day passed, and again the electors trusted the government.

The government had nothing to do with the revision of these rates. They were being put in effect by Mr. Dalrymple, vice-president and traffic manager of the Canadian National system, independent of the government and of parliament, and subject only to the provisions of the Railway Act. The hon. gentleman continues:

Have any of the members of this House seen the revision of freight rates? Seven months have passed and no one in Nova Scotia is conscious of any reduction. They continue to labour under rates which Hon. E. H. Armstrong, the Liberal premier of Nova Scotia, describes as "excessive freight rates choking our industrial life."

What the hon. Premier of Nova Scotia said was right. The fact that reductions in the rates to Montreal and west of Montreal to Port Arthur and Fort William were filed on the 14th of April is an answer to my hon. friend and a vindication of the statement made by the Minister of National Defence that these rates would be put into effect on the return of Sir Henry Thornton. So my hon. friend the junior member from Halifax was a little too previous in criticizing the Minister of National Defence. A little further on in his speech he said:

In order to get a proper setting for the picture of to-day one must recall those prosperous and self-contained conditions hinted at by the minister in those days. Ten banks were then operated and controlled in the province. To-day not one so remains. Fortunes were then being made by many different importers, exporters and shipping men, their varied activities affording generous employment to all who wished to work.

My hon. friend is right when he says ten; I cannot recall every one of the ten, but I can recall quite a few of them. First, there was the Union Bank of Halifax, which had been doing a very good business. Who was the president of that bank? Who was the dominating influence in that bank? The late John F. Stairs, who was a Tory representative in this parliament with T. E. Kenney, who was president of the Royal Bank of Canada. One handed it over to the Royal Bank and the other Tory, Mr. Kenney, took it. I ask my hon. friend, can he blame any gentleman on this side for that transfer of a local bank to the Royal Bank of Canada?

Now we come to the Merchants Bank of Halifax, which name was changed when it got its new charter to the Royal Bank of Canada. The late T. E. Kenney was president of that bank and later Wiley Smith, who never was in parliament but who was president of the Liberal Association—

An hon. MEMBER: Liberal-Conservative.

Mr. FINN: Liberal-Conservative Association, yes, of the city of Halifax—he would turn over in his grave if I called him a Liberal.

So the Merchants' Bank became the Royal. They absorbed the Union Bank. the Bank of Windsor having first been absorbed by the Union through the efforts of Mr. John F. Stairs and also of Max Aitken, now Lord Beaverbrook, who made the trips up to Windsor, brought back the certificates and gave them to Mr. Stairs. My hon. friend is a local director of the Royal Bank of Canada, but all he has to do, I understand, is to deal with the question whether notes that are very small can be discounted and not sent to the head office, which is in the city of Toronto.

Now we come to another bank that carried on business in Halifax, the Halifax Banking Company. That bank was absorbed by the Bank of Commerce. Who was the president for years? You could not pull him out with a block and tackle, the Hon. Robie Uniacke, also one of the leading Conservatives of the city of Halifax. So my hon. friend cannot complain that any gentleman on this side from Nova Scotia or from Halifax had anything to do directly or indirectly with the transfer of that bank to the Bank of Commerce. Then there was the Peoples' Bank of Halifax, which was absorbed by the Bank of Montreal. The president of the Peoples' Bank was Patrick O'Mullin, once a Tory candidate for the legislature of Nova Scotia, where the hon. junior member for Halifax sat for three years and then got tired, left it and stayed out until he came up here. Then came along the Bank of British North America, which was absorbed by the Bank of Montreal, and that bank has not very many of our political friends upon its board; if they are there I do not know them.

These were our great banking institutions in the province. The hon. gentleman speaks of ten: he must include the Bank of Yarmouth, which failed, and then we had in the early days, before I can recall it, the Bank of Liverpool which also failed. So we had two failures of banks in Nova Scotia, and the others were absorbed and their head offices taken from Halifax to Montreal or Toronto. By the way, the Bank of Nova Scotia, bearing the name of our native province, also had its head office in the city of Toronto, and if anyone of Liberal persuasion ever got a seat on the directorate it was only because the door must have been forced open by some providential means, not by any act on the part of the gentlemen who are the directors of that bank—Mr. George S. Campbell, who was the president, Mr. Hector McInnes, who sat in the provincial legislature of Nova Scotia and ran for a seat in this parliament but was defeated; the later Senator McKeen, who resigned his seat in favour of Sir Charles Tupper; the present Lieutenant Governor of Nova Scotia, Governor Grant, and last but not least a former Prime Minister of Canada, the Right Hon. Sir Robert Laird Borden. It seemed to Liberals in Halifax that a sign should have been put up on the door of the Bank of Nova Scotia, "No Liberal need apply." These are the facts, Sir, in connection with our great banking institutions in the province of Nova Scotia. I only mention this matter because it would seem that my hon. friend had no other argument than that of trying to blame the administration or the Liberal party for the sorry condition existing in connection with those banking institutions in our province.

My hon. friend goes on to deal with Quebec statesmen and Ontario statesmen. He says:

> Mr. Speaker, these things ought not so to be. These were not the prospects that were held out to Nova Scotians at the time that Ontario and Quebec statesmen were proposing that the Maritime provinces should enter a union to safeguard the defence position of the country and create a nation. When these statesmen toured the lower provinces after the Charlottetown conference, they naturally dilated on the benefits that would follow the adoption of a plan of confederation. The politicians who attended the conferences were in favour of the adoption of their scheme, of course, but it was received coldly by the public of the province. Indeed, it has never at any time been approved by the voters.

The hon. gentleman does not even intimate, let alone press home the fact, that when these gentlemen did come down to the Maritime provinces to attend that conference in Prince Edward Island their bodyguard before and after, on both sides and in the middle, was no less a person than the late Right Hon. Sir Charles Tupper. My hon. friend merely mentions the statesmen that came down from Upper Canada and ignores absolutely the statesman from Nova Scotia, Sir Charles Tupper, who was the back and front of the whole movement in connection with the entry of Nova Scotia into the confederation. But that is by the way; it shows the broadness and fairness of my hon. friend in dealing with great public questions that are discussed in this House. The hon. gentleman says further:

> The irony of the situation to-day is that the Canadian government, through its ownership of the Grand Trunk, with its chief railway terminus at Portland, is the chief instrument through which United States ports continue to be enriched by trade from the provinces situated west of New Brunswick. The present government has gained some friends by providing lower duties under the preferential tariff when goods enter through a Canadian port, although like much of their legislation the step is faltering and incomplete.

The hon gentleman has been for years or was for years a member of the firm of Pickford and Black. Since the death of Mr.

Pickford he has become the head of that firm. He has been an outsanding steamship man in Halifax all his life and no one knows better than he does that for years Portland was the winter port of Canada under the Tory government. It was the winter port, and not by virtue of ships flying the British flag calling at a Canadian port as they do now and then going to Portland of their own accord, on their own business and in their own way—and it is no one's else business if they do. My hon. friend knows that right up till 1896 the then government gave a subsidy running into hundreds of thousands of dollars to the Allan line to make Portland an eastern terminus and to call at Halifax, put off the mails and go about their business. It was not until after we came into power that that subsidy was withdrawn by Mr. Fielding from the Allans and they ceased to go to Portland, and later a subsidy was given to the Canadian Pacific because they went to a Canadian port, St. John. If my hon. friend casts aspersions on the Liberals on the ground that they made Portland the terminus he is absolutely making a statement that is faulty. I say again that all the steamships that leave the other side and come to Halifax or St. John can turn round the next day and go to Portland, and no one can stop them. Furthermore, the government of this country, Sir Henry Thornton and all his traffic officers, cannot prevent the man in Chicago or any person along the route of the Grand Trunk from shipping his goods through Portland or elsewhere as he sees fit. My hon. friend must know that if there was interference with the transit of goods on American railways through American territory by the government of Canada or by the management of the National Railways, the United States Interstate Commerce Board would immediately interfere and make it so hot for the Canadian National management that they would not know whether to take the goods off or leave them on. So my hon. friend in trying to impress the people of his native province, and particularly the people of the city of Halifax, who are naturally disappointed at the condition should not accentuate a situation that we all understand, and that we would try to ameliorate if it was possible for us to do.

My hon. friend also speaks in reference to the preferential tariff, and thinks it faulty and incomplete, but in line with the way we do things on this side of the House and the way Mr. Fielding does it. I disagree with him. Mr. Fielding brought down his budget last year and he gave a further reduction of 10 per cent in the present preference, 10 per cent of 33-1/3, or 3 1/3, and he said that that 3 1/3 would apply only to goods brought into Canada through Canadian ports. My hon. friend is a shipping man, and he knows that if the budget had provided that the whole British preference should apply only to goods coming through Canadian ports, with no direct line of steamers to Halifax, and with no connecting link with the Canadian National Railway system, it might so dislocate trade and interfere with the transport of goods into the markets of central and western Canada that we would have stagnation, and at once from the centre of our Canadian universe, Toronto, we would have heard a sorrowful wail that Mr. Fielding had interfered with traffic and had put a great embargo on the transport of goods into Canada. My hon. friend, as a shipping man, must know that it would not be wise to bring in such a measure as that all at once, but I agree the day is fast coming when the whole British preference should apply only to goods brought in through Canadian ports because the tendency across the line is to so treat us. They have brought in a measure whereby their Shipping Board are going to give a differential rate on goods transported over the railways of the United States to American ports to be put in American bottoms; and that is going to boycott all ships flying the Union Jack or the Canadian flag. It is a matter in which the British government will be interested, and no doubt if it comes into effect it will be time for us to act in conjunction with the British authorities in an investigation. My hon. friend goes further and says:

> "Canada," as it was called before confederation, finds a good market in Nova Scotia for its products manufactured and sold under a 10 per cent to 35 per cent tariff at correspondingly high prices, and takes payment, not in trade. as Cartier foretold, but in cash, which Nova Scotians raise by selling their fish, potatoes, fruit, lumber and other natural products in the highly competitive markets of the world.

I wish my hon. friend the ex-Minister of Finance (Sir Henry Drayton) were here to hear what I have quoted. The hon. member for Halifax should vote with us on the budget as brought down because he speaks of a high tariff which only gives protection and puts the money into the pockets of the manufacturers because they will not take what we raise in trade; they want the cash earned by our hardy fishermen and other workers in the province of Nova Scotia. My hon. friend (Mr. Black) goes on to say, and this is another crack at his own party:

> Located on the circumference of a circle, Nova Scotia cannot become a factor in the Canadian industrial system because she cannot overcome the costly carrying charges to reach the centre and the other

side of the circle in competition with the mass producers situated at the centre of the circle in Hamilton, Kitchener, Toronto, Montreal, and other cities. And her banking control, with its collateral benefits, has gone to the latter mentioned cities, absorbed, not by commerce, as Cartier prophesied, but as the result of legislative enactments imposed quite naturally by those sections who command a majority in the councils of the nation, who also naturally make the fiscal policy suited, not to the needs of the smaller provinces, but to their own.

Will the ex-Minister of Finance put that in his pipe and smoke it?

Mr. STANSELL: Would the hon. member inform us whether he is talking in support of the budget proposals or of the amendment?

Mr. FINN: Which amendment does my hon. friend refer to, the amendment that was moved by the hon. member for Kent (Mr. Doucet) and was discarded, or the amendment moved by the hon. member for Centre Winnipeg (Mr. Woodsworth)?

Mr. DOUCET: I rise to a point of order, Mr. Speaker. The hon. gentleman has been quoting for the last half hour from a speech delivered in a debate this session that has already been disposed of.

Mr. DEPUTY SPEAKER: I think the point of order is well taken. The hon. member suggests that the hon. gentleman who has the floor is quoting from a debate, I believe the Address, which has already been disposed of. It would be improper, of course, for the hon. gentleman to refer to that debate by way of citation or quotation during the present debate.

Mr. FINN: I bow to your ruling, Mr. Speaker, and I regret that I have transgressed the rule, but the effect is as I have stated.

There is the further question of loyalty, and of building up our own ports and working out our own destiny. I would like to point out that down in the port of Halifax there is a steamship line running from Halifax to Jamaica and to San Diego in Cuba. That line of steamers, while it is not subsidized by the government of Canada, and should not be, flies, not the British or the Canadian flag, but the Swedish flag. These two ships are chartered by the firm of Pickford and Black in the city of Halifax, and are engaged in transporting goods to and from the West Indies. My hon. friend from Halifax (Mr. Black), who is the senior member or the president of that company, is a great believer in keeping our young people within the province of Nova Scotia, in having our fishermen return to their native soil, and having our hardy sons, who make the best sailors in the world, put on Canadian ships running from our own ports.

[Mr. Finn.]

My hon. friend speaks of our lack of loyalty and the failure of our province to measure up to its future success. I am going to ask how it is at all possible for us to grow and develop as a Maritime people when we see these ships running from Halifax flying the Swedish flag, ships that are chartered from Sweden—the only thing bought by the charterer being the coal—the profits made going to Sweden and into the pockets of the firm or company of Pickford and Black Limited. Actions speak louder than words.

Mr. BLACK (Halifax): May I say to you, Mr. Speaker, that what the hon. gentleman is stating is absolutely incorrect. If the ships are chartered they are manned by those who are willing to go to sea in them. Their supplies are bought in Halifax and they are run just as any other ships going from that port are run.

Mr. FINN: I am glad to hear my hon. friend—including his desk mate the hon. member for Kent (Mr. Doucet)—applaud the Swedish flag. I must say, however, that the explanation of the junior member for Halifax does not satisfy me. If I were a Nova Scotian sailor I would, before I would serve under a Swedish flag with a captain sailing out of a British port down to the West Indies, go and eat salt and die of thirst.

Now my hon. friend (Mr. Black) discussed the fisheries of New Brunswick and gave out a report which, I think, does not augur well for the future of that industry. He said that according to British reports lobsters were canned in the swamps of New Brunswick, in an old barn, and were covered with swamp water. He attributed such conditions to the present Minister of Justice. When he made such a statement it was not the Minister of Justice who was swamped, but my hon. friend himself—both swamped and canned. My hon. friend the junior member for Halifax further said that in the evening of his life, he had at great sacrifice to himself, come to the Parliament of Canada to administer a shocking blow to the government and to be the instrument by which that government would be either knocked senseless or brought to a realization of what the people of the Maritime provinces and the city of Halifax expected. He said that if he did not have at heart the interest of the people he could have remained at his own fireside, where he would have enjoyed the wealth that he has accumulated and the comforts that he has surrounded himself with. I desire to say as a young man, and I am some distance yet from fifty, that I have—and I have never boasted of the fact—given eighteen of the best years of my

life to the service of the people of my native province, to the service of the people of the city and county of Halifax, and now for the last year or so to the service of the people of Canada. In that work I have sacrificed my profession and to-day, were I not in public life, I would have to start all over again. At present I have not the time to practise my profession because it takes all my time to look after the interests of the people I have undertaken to represent. For seventeen years I have represented them successfully and continuously in the province of Nova Scotia, and I never received from any government, directly or indirectly, one dollar for any services of mine except what I was entitled to receive by statute. I do want to say to my hon. friend, however, that during those seventeen years during which I have been working in the interest of the people he has been paying attention to his own business. I do not blame him for that, but when he wants to hold himself out as a martyr on a political cross in this country I want to tell him that he is not entitled to wear any medal. I want to say that while I am entitled to wear medals for public service he has a portion or "what jingles in the pocket" because the firm of Pickford and Black, of which he is a member, received money from the government of this country during a period of thirty years. The subsidies paid to Pickford and Black by the respective governments of Canada since 1893 are as follows:

Canada, West Indies, South America.. .. .	$1,577,602
St. John and Demarara..	536,083
Halifax and Jamaica..	90,000
Halifax and Bermuda..	30,000
Halifax and Cuba..	41,666

Mr. DOUCET: Any service given?

Mr. FINN I will come to that. My hon friend had better not be too particular about the service. I have travelled on some of these boats myself.

Mr. BAXTER: Did it hurt them?

Mr. FINN: I will come to that. My hon. me. The total of the subsidies I have given is $2,275,352. As to the steamers my hon. friend from Kent refers to, I went down some years ago to Bermuda in the old Alpha, I think she was about thirty years old then. The next time I saw her she was in British Columbia; she was sold in Victoria. Then there was the Beta. She had to be reconditioned and was built up like Noah's Ark. The government of Canada decided she had not the proper accommodation and that a change would have to be made.

Mr. BAXTER: I should like to know when my hon. friend was in Noah's Ark, what particulars he has of his experience?

Mr. FINN: My knowledge of Noah's Ark is what I have read in the Bible. If my hon. friend has not read that Book lately, or has forgotten what he has read I would ask him to again read that portion of the Scriptures dealing with the Ark along with the lamentations of Jeremiah to which my hon. friend's remarks bear a resemblance.

Mr. BAXTER: I know the Ark was pitched within and without. I do not know how long it took to do the work but I should like my hon. friend to tell us how to do it efficiently.

Mr. FINN: It might have been pitched within and without but the only thing my hon. friend needs to look after is that at the next election he is not pitched out.

Mr. BAXTER: There is no danger.

Mr. BLACK: I should like to ask my hon. friend if he is aware that the subsidies to which he refers were paid to joint stock companies composed of patriotic citizens of Halifax who subscribed capital for the purchase of these boats and who included some of his Liberal friends. The money was received by these joint stock companies and not by Pickford and Black.

Mr. FINN: I am satisfied with the statement of my hon. friend. I do not want to do him any injustice but I must say this: He participated in these profits and he could not possibly have what he has around him to-day in the way of luxuries in the city of Halifax if he had been in business for patriotic reasons or for his health. When the subsidies were withdrawn from the Pickford and Black steamships, the Royal Mail Packet Steamship Company was subsidized to run its boats to the West Indies, the subsidies were paid to Pickford and Black Limited as attorneys and agents of the Royal Mail Packet Steamship Company. Pickford and Black did the business for these steamers and looked after their freight. Pickford and Black stevedores were employed. The Royal Mail Packet Steamship Company received for services, through Pickford and Black, the sum of $3,175,601.77, making in all a complete subsidy of $5,450,954.49.

I would not have mentioned these things, Mr. Speaker, had I not carefully read the speech of the hon. junior member for Halifax and, which I do not think he could have read himself before delivering. I would not have made these remarks, but I think his personal allusion to that splendid financier, the

Right Hon. W. S. Fielding, Minister of Finance, justifies me in laying bare all facts that I believe the people of Nova Scotia should know with regard to the hon. gentleman who has the honour to have a seat in this House. Now my hon. friend wants to know also what the two members for Halifax were doing in this parliament for the last two years—that they never let a yap out of them.

Mr. DOUCET: We are hearing the yaps now.

Mr. FINN: Yes, quite a few yaps. I would like to say to my hon. friend that before I had the honour of a seat in this House, when I was in provincial politics and moved into a larger field, where I would be expected to assist in advancing the interests of the port of Halifax. I, as a member of the government of Nova Scotia, interested myself in and studied the freight rate question. As a result of my work—and I do not say this as a compliment to myself, but in vindication of my position which was assailed by the junior member for Halifax—I was asked by a representative delegation of forty gentlemen from the provinces of New Brunswick, Prince Edward Island and Nova Scotia, to accompany them and be their spokesman in the presentation of their case to the late government of which the right hon. leader of the opposition was prime minister. That delegation arrived in Ottawa, and at twelve noon on June first, 1921, we met the Prime Minister of Canada, and every member of his government I think but one. A meeting was then arranged by the then Minister of Public Works, the Hon. F. B. McCurdy, and I presented to the government the situation in reference to the Maritime provinces, both the grievance and the remedy. I may say that prior to doing that, in the legislature of Nova Scotia in the session of 1921, I moved a resolution which was seconded by the leader of the opposition then, Mr. Laurie Hall, K.C. I went up to Fredericton, and discussed with the government the advisability of securing a resolution of the same character from the legislature of New Brunswick. That resolution was drafted by myself, discussed with them and no change was made. It was moved by the Premier of the province of New Brunswick and seconded by the leader of the opposition, Mr. Baxter, who now has the honour of a seat in this House. That resolution read as follows:

> Now be it hereby declared to be the sense of this House of Assembly of the province of Nova Scotia that the faithful observance of the terms and conditions of the compact of confederation and a generous national spirit require that the convenience, accommodation and welfare of the people and of the industrial interests of the Maritime provinces be steadily kept in view as the primary purpose to be achieved in the administration of the Intercolonial railway:
>
> And that such railway having been constructed to serve a special purpose should be administered upon principles adapted to affect such purpose and as a separate system, giving such advantages in freight and other rates to the people of the Maritime provinces as will afford them access to the markets of other provinces of the Dominion upon such terms as will admit them to a fair competition.
>
> And that adherence to the spirit of confederation requires that such change in the administration be made at once as will remove the conditions disadvantageous to the Maritime provinces which at present exist.

That resolution was passed unanimously, as also was the resolution by the legislature of the province of Nova Scotia, in the year 1921, some three years ago. Two years before that I appeared before the Railway Commission of Canada presenting the views of the province of Nova Scotia, I was associated with the hon. Minister of National Defence (Mr. Macdonald) in representing the interests of the Maritime provinces, and I think he represented the province of New Brunswick at that time. There are just two paragraphs of my submissions to the government that I am going to read.

> These, Sir, are some of the reasons that move the people and governments of the Maritime provinces to come to you to-day and ask you to preserve our rights to allow us to participate in the great industrial development of Canada by enabling us to secure markets in central and western Canada.

And I closed by saying:

> These are some of the reasons that I submit for your consideration. The matter is one which is in the heart and mind of the people of the Maritime provinces. We are a unit in this thing. We are not representing any party or any creed or any race, but are asking that the terms of confederation, which were guaranteed to us in 1867, be carried out. Thus shall we go on and work out our destiny, which I believe to be great; and I am sure the people of the Maritime provinces will appreciate any effort on your part, Mr. Premier, and the part of your government, to give to us in the Maritime provinces that which we deserve, that which is our right, and that which we intend to hold fast and tenaciously.

I am going to state what the Prime Minister, now the hon. leader of the opposition, said in reply to our presentation. He said 11 p.m. that it opened up a new avenue to him of thought. There were some things that he had not known in the presentation which were food for thought. He said unfortunately that he had to leave immediately for England to attend the Imperial Conference, and that the thing that worried him was "to find the right and do it".

I will be fair to the leader of the opposition and will admit that he did not retain the office of Prime Minister for any length of time, so that perhaps he had not an opportunity of

carrying out what he had undertaken to do in the statement he made. But the thing is to ascertain what is right and to proceed to have it done. That is all we ask in the Maritime provinces, and such a request is not, I think, unreasonable. My hon. friend from Halifax (Mr. Black) rather left the impression in this House, in Nova Scotia and in my own constituency that I had sat idly by and had not pressed the claims of the city and county of Halifax. Let me say that, contrary to my doctor's instructions after a very serious operation last May, I came into the House of Commons on the night of June 29 last on crutches and at four o'clock in the morning got on my feet and raised my voice in behalf of Halifax, urging that an appropriation be voted for the elevator to which my hon. friend has referred. And who, if I may put it that way, gave me the run for my money? No less a person than the ex-Minister of Finance (Sir Henry Drayton). When the estimate was brought down for the construction of a grain elevator at Halifax amounting to $200,000—I am sorry that my hon. friend from Halifax is not now in his seat— the following debate occurred:

Mr. Meighen: The information I have is that there was an elevator there that had a little grain in it some years, and for some years none. I fancy it was burned down. Any way it is not there now. I had a return on this the other day. I think it was used substantially just once. I believe it was partly built by the railway and partly by the city. At any rate there were joint contributions. Can the hon. member tell us just what special event the government has in mind that caused it to deem it the part of wisdom to build a large elevator there?

Mr. Maclean (Halifax): I have been personally advised by two or three of the largest shipping companies using that port during the past winter, that a modern elevator of a million bushels capacity would be of great service to the port and of some use to shipping. At the present time a great deal of shipping might go to Halifax were it not for the reason that they are unable to secure grain cargoes for a portion of their carrying capacity.

Sir Henry Drayton: Could the hon. gentleman not think of something that might be useful to Halifax and at the same time would cost a little less money?

Mr. Maclean (Halifax): I am told by shipping men, business men of Halifax that this expenditure would be extremely useful to the port of Halifax. I believe that is a fact. The quantity of shipping which enters or leaves any Canadian port is largely determined by whether or not they can obtain a partial loading of grain. That is necessary as regards the port of Halifax.

Sir Henry Drayton: My hon. friend knows perfectly well that Halifax has not handled grain for years, except during the war. When there was the grain to handle, the elevator handled it all right. But the business there is absolutely negligible and must be so as long as we have a charge for hauling grain on the railway and railway costs are heavy.

Mr. Macdonald (Pictou): My hon. friend overlooked one thing, namely that the quantity of grain moved depends upon whether ships will be available to carry it. Contracts to carry grain are not made by the railway people themselves, and the grain broker who wants to ship to Liverpool will ship via Halifax if there are facilities and ships there to carry the grain. During the past few years merchants have not been regularly shipping to Halifax because there has not been space. Indications are that this space will be obtained and work will come for the elevator. My hon. friend ought surely to encourage the idea that we should have facilities in our ports in winter for shipments of grain instead of sending the ships to American ports. If he wants to oppose the idea that we should have within our own boundaries and harbours facilities by which Canadian produce can be carried abroad and imports can be brought to our ports, that is a very curious policy. If he wishes to have the ships in winter going to Boston and other American ports instead of to Canadian ports, that will be the policy of my hon. friend.

Sir Henry Drayton: My hon. friend always conveniently forgets everything he likes to forget. There is another winter port, that is neither Portland nor any other American port, and that is St. John. He also forgets that usually grain travels by the cheapest railway route.

I may say to my hon. friend the junior member for Halifax, to the leader of the opposition, and to the ex-Minister of Finance, that the elevator is absolutely necessary and is going to be built; and I hope to see it in operation when navigation closes on the St. Lawrence. It has not been so far started owing to the fact that the plans drawn by the engineers of the Canadian National Railway system and the technical engineers who were called in were beyond the requirements of the port not as to capacity—because that remains fixed—but from the point of view of machinery needed. The requirements in this respect are such that a considerable reduction can be made, and the Minister of Trade and Commerce in the interests of economy has ordered a revised specification. The matter has been in the hands of the Railway department and the report of the engineers will be dealt with by the minister, tenders will be called for and the elevator will be built. My hon. friend wanted to know about the promised Dartmouth pier. I can inform him that the Dartmouth pier is already under construction, having been begun over two and a half months ago, giving employment to a good many men who were out of work. The necessary pine is being brought from the southern states and will arrive either tomorrow or the next day. When it comes construction will be started immediately and the pier will be completed to connect up Dartmouth with the Canadian National system to Windsor junction. On the completion of this work I hope that the relation that Carleton bears to St. John, Dartmouth will bear to Halifax, and that Dartmouth will share in the business of the port. I am looking forward to beneficial results to the town in which I was born. I have one more quotation and then

I am through with this phase. Speaking at four o'clock in the morning, I said:

It seems to me that the hon. member for West York (Sir Henry Drayton) takes a very pessimistic and gloomy view of the development of an eastern national port, namely the port of Halifax. It is equally as pessimistic a view as my hon. friend took when, as chairman of the Railway Commission, he laid down that very explicit doctrine that geographical disadvantages should not be taken into consideration in the fixing of rates. We are a part of this great confederation; and the great leaders who have passed to the beyond held out to us in Nova Scotia and to the citizens of Halifax the promise that if the province remained in confederation Nova Scotia and Halifax would become the Atlantic frontage of the Dominion. And if my hon. friend will only go and look at the motto above the entrance to this magnificent structure, raised and reared by his government, he will see there written these words:

> The wholesome sea is at her gates,
> Her gates both East and West.

We may have the wholesome sea but we have not the gates. But it was in the wisdom of the late Liberal Chieftain, Sir Wilfrid Laurier, to foresee the future and build the Transcontinental, taking the road to Moncton as a common centre for the shipment of grain and other products of the West in winter, from Halifax and St. John. When the short line is completed from a point above Port Arthur on the Canadian National up to the Transcontinental, with easier grades and shorter mileage, the people of Halifax feel that it will be the duty of the Canadian National system to see that grain and other products of the West not routed through any other ports shall be carried to the ports of Halifax and St. John in winter.

If these things are not done then perhaps some of the things spoken of by a gentleman in the legislature of Nova Scotia and referred to in the press of the Maritime provinces may come to be more than mere words and cold type. I regret that the state of my health to-night forbids my entering as largely into this subject as I should like. But it is vital to the interests of Nova Scotia, it is vital to the city of Halifax, that proper attention be given this matter. I say it is vital to the city of Halifax, which Sir Charles Tupper declared would be, as a result of the national policy, a forest of masts if that province remained true to confederation. We are spending to-day millions of money for the development of the port of Portland, and this is the result of an act of administration on the part of the leader of the opposition (Mr. Meighen) in the taking over of the Grand Trunk and the terminals at Portland. This was a legacy bequeathed to the present government, who have in turn handed it over to Sir Henry Thornton and his board of management. I believe that Sir Henry Thornton is willing to do the right thing by the Maritime provinces, and my hon. friend must know that he has recommended that an elevator should be built at Halifax with a capacity of at least 750,000 tons, if not a million. It is his intention to divert to Halifax, as he has a right to do, that proportion of the grain and other products from the West that can and ought to be carried through that port. The rate to Halifax will then be the same as to St. John or Portland or New York. Montreal carries one cent less and when the differential referred to by my hon. colleague (Mr. Maclean) is removed as between St. John and Halifax, then New York, Portland, St. John and Halifax will be on a parity. There is no sound reason why Halifax should not share as a national port in the shipment of products of the West and of central Canada to the Old Country and the Mediterranean in future. These are my hopes; and I regret that my hon. friend should take the gloomy, pessimistic view he has displayed in reference to the future of Halifax as a port. I do not share that view and I am sure that if we both live a few years longer and Halifax is gixen an opportunity he will have reason to revise his opinion and will be quite willing to help to make it what it was always intended to be, the eastern gateway, one of the national ports of Canada, in the carrying of Canadian products from the West and Central Canada to the markets of the world.

I would not have referred to this matter had not my hon. colleague from Halifax undertaken to say that I had been recreant in my duty and had failed to present the fair claims and demands of the port of Halifax and the province of Nova Scotia while a member of this House. I have pointed out that my energies, so long as I have been cognizant of the facts, have been directed to bring about an improvement of conditions and so restore prosperity at the port.

Now, a word or two in respect to the fishing industry in Nova Scotia. We have been told—not by the hon. member for Halifax—that we have lost our West Indian market. I am informed by competent authorities that:

Nova Scotia exporters to-day have a better hold on all markets than ever before in the history of the trade. American exporters have never had any profitable large export trade on dry fish, although for a period of some five or six years, say from 1913 to 1919, a large Gloucester fish concern—the Gorton-Pew Fisheries, Inc.—made a determined effort to enter the foreign dry fish markets, and during that period they were fairly large exporters. Their efforts in this respect were largely the cause of the very disastrous failure in 1919. This concern was in the hands of receivers for some three or four years, and last year was reorganized on a new basis. The writer was informed by both the receivers that had the business in hand, and by those interested in the reorganization, that it was to be their well-defined policy to steer clear of all export business except what was incidental to their other operations. Gloucester will always have a considerable quantity of fish that cannot be used for the domestic trade that has to be dried and exported. The total volume of American cured fish that is exported to foreign markets is so small that exporters in other countries hardly know that anything is going on. As a matter of fact the only place in which it is an menace is Porto Rico, which market is what is known as a consigning market, taking a large proportion of inferior qualities of fish that is shipped from Newfoundland and Canada and has to be sold on its merits, being fish culled out from shipments made to other markets. Lunenburg however, does continue to ship the regular Lunenburg cure of codfish to Porto Rico, and is, therefore, more or less up against Gloucester competition—the Gloucester exporters having the advantage of the Fordney tariff.

It was not American competition that during the past few years made the dry fish export trade of Canada unprofitable, but the upset world conditions, chief among which was the ruinously low rate of Brazilian exchange—Brazil being one of the largest, if not the largest, market for dry fish in the world. This spring for the first time in four years the accumulation of old stocks of fish produced in Norway, Iceland, Great Britain, Newfoundland and

Canada have been cleaned up—I do not mention the United States as they are such a small factor that they can be overlooked—so that to-day practically all markets are in excellent shape with prices 25 per cent above those ruling a year ago.

It must be admitted that the demoralization of the fish trade during the past three years has had a most serious affect in the Maritime provinces, as owing to the price obtainable by the fisherman it did not provide him with sufficient to pay his bills and a large number of fishermen migrated to the United States. In the province of Quebec, where we are largely interested, the fishermen sought other occupations in Canada. Twenty-five per cent advance in price means that this year every available boat on the Gaspé coast will be put into operation. It is estimated that the number of men fishing will be again back to normal. The improved position also means that the Lunenburg fleet, instead of being only 40 to 50 vessels as predicted last autumn, will probably be between 60 and 70 vessels.

There is one unfortunate situation in regard to fishing operations which particularly pertains to the province of Nova Scotia, in that while the price of dry fish has materially advanced, the price of pickle cured codfish as produced for the boneless fish trade in the United States has gone down in value about 50 per cent per 100 pounds. This class of fish has in recent years been sold at high prices in the United States; in fact at prices that gave returns at least one-third more than if the fish had been dried. Owing to Gloucester and other operators in boneless fish having written Nova Scotia producers that they will have to lower their price this year, many Nova Scotia fishermen have become discouraged and it looks very much as if there would be a further exodus to the United States. We have recently had advice from Cape island, which was the centre of the production of pickle cured codfish, that very few boats will be fishing this year. The cause of the decrease in the value of this cure of fish is apparently due to the American public turning away from the use of salt codfish as a regular food article. We are in a position to size up the situation as we have been carrying on large operations in Portland, Maine, during the past six years, operating chiefly in boneless fish. Our output last year was very disappointing—only a little over half of our expectations. On a recent visit to Gloucester the head of the Gorton-Pew Company and other heads of Gloucester houses, informed me that their experience had been the same. The result is heavy over-supplies of this quality of fish at the present time. While this business seriously affects the south shore of Nova Scotia where 75 per cent of the fish caught during the past few years has been pickle cured for the boneless fish trade, the interests involved are not nearly so important as those concerned in the dry fish export trade, so that on the whole it would appear to me that conditions generally pertaining to the fish trade are in much better shape than at any time during the last four years. During the past year the great difficulty was not in marketing dry fish with a profit, but the fact that supplies in Canada and Newfoundland were very short. This owing to decrease in the number of men fishing, estimated at 25 per cent in Newfoundland and 30 per cent to 40 per cent in the Maritime provinces and the Gaspé peninsula.

We can assure you that the dry fish exporting houses are doing their utmost to encourage the fishermen and small dealers throughout eastern Canada to as much as possible get back to ordinary fishing operations, which have always meant so much for the prosperity of the Atlantic coast. There is no doubt whatever that the production of both dry codfish and pickle cured herring, mackerel and alewives has seriously declined during the last twenty-five years. We would say to the extent of about 25 per cent as regards dry fish and 50 per cent as regards pickled fish. We can pretty well judge of this by our own operations. Whereas in the five years previous to 1914 we handled an average of 200,000 quintals of dry fish per year, our average for the last three years has only been 150,000 quintals. While competition from the United States is negligible, there is no doubt whatever that our export fish trade is up against very severe competition from European countries, particularly Norway and Iceland. It would appear that production costs are less than with us. In regard, however, to at least part of the Canadian production, we have the advantage of producing a superior article which out-sells the Norwegian cure in Brazil and Mediterranean ports.

A movement has recently been made to start a campaign of education in connection with the various branches of the fisheries, such as the best methods of handling fresh fish, smoking fish, canning of various fish products and the introduction of the very best possible methods among the fishermen in the various fishing districts. This educational campaign is to be carried on under the direction of the Biological Board of Canada. Steps are now in progress to establish a station at Halifax, which, although it is being directed by the Biological Board, will be distinctly along educational lines. In addition to the proposals as set forth above, steps will be taken to adequately investigate the movements of fish and the putting before our fishermen the results obtained, as well as up-to-date information of the very best methods that are being used in European countries.

Mr. Speaker, we have every reason to believe that conditions will improve and that as a result our fishermen will return from the United States, and we hope ultimately to have such a development of the industry as will equal if not exceed its past greatness.

There is just one other matter that I want to place before the House. I refer to the efforts of Sir Henry Thornton in behalf of the port of Halifax. The results obtained by him are due to three causes. The steamship business at Halifax has greatly increased That has been due, first, to the fact that the 10 per cent reduction in the differential applying only through Canadian ports has brought freight from the Old Country and from foreign countries to Halifax for transportation throughout Canada; second, the differential having been removed, putting Halifax on the same basis as St. John and all other Atlantic ports, is bringing a greater tonnage of freight to Halifax; and, third, Sir Henry Thornton on taking over the presidency of the Canadian National Railway system saw to it at once that his traffic officers went to the Old Land and there went amongst those who intended to come out and settle in our country, saw that they were transported across the ocean by steamship lines that were working in conjunction with the Canadian National Railways, namely, the Cunard and White Star, and that that traffic which went to American ports in other years was brought into Halifax. During the year

1922 ships sailing into the port of Halifax numbered 491 as against 768 in 1923.

I have the returns with respect to the port of Halifax for the years 1922, 1923 and 1924 since Sir Henry Thornton took charge of the Canadian National Railway system, and they are a matter of pride and satisfaction. The port of Halifax so far as passenger traffic and improved freight position are concerned is coming into its own. The following will show the increase in business at the port for the season 1923-24 compared with 1922-23. The time given is during the closing of the St. Lawrence which is from November 22nd to April 22nd:

	1922-23		1923-24	
	No. of ships	Tonnage	No. of ships	Tonnage
November 22 to 30	16	69,550	23	120,924
December	73	389,421	83	464,938
January	72	373,722	91	534,689
February	67	331,422	81	535,138
March	67	380,981	67	485,748
April to 22nd	51	324,115	65	462,854
	346	1,869,211	410	2,604,287

The number of passengers landed in 1922-23 was 11,242 and in 1923-24, 28,588. In other words, nearly 18,000 more immigrants were brought in in 1923-24 than in 1922-23, through the policy of Sir Henry Thornton and his traffic management, as well as the policy of the hon. Minister of Immigration and his department. I understand that the figures for this coming summer will be in excess even of these, because during the summer months—what never has happened in Halifax before—the Cunard line, the White Star line, lines from Mediterranean ports, and also the Holland-American line, have about seven sailings a week in all into Halifax, which means that large numbers of immigrants will be landed at that port and that freight will arrive there destined for various Canadian points, so that the port of Halifax will be busy this summer as never before. The ships that came into Halifax this year were of the type that never came before. The following are some of the names of the larger ships with their tonnages:

	Tons
Belgenland	27,200
Empress of Scotland	25,037
Empress of Canada	21,211
Minnawaska	21,400
Laconia	19,679
Samaria	19,602
Andania	18,950
Lapland	18,565
New Amsterdam	17,149
Tuscania	16,700
Doric	16,600
Cameronia	16,288
Lancastra	16,243
Veedham	15,450

[Mr. Finn.]

These are ships of perhaps the greatest tonnage sailing from New York and from Liverpool and Southampton on the other side, calling at the port of Halifax, landing thousands of immigrants, giving employment to our stevedores, bringing freight that has to be handled leaving at the port thousands of dollars for provisions and supplies. With that outlook for the port of Halifax I do not think we need be very pessimistic for the future, so long as Sir Henry Thornton is permitted, to occupy the presidency of the Canadian National system and gives his best energy and ability to doing the right thing by the port of Halifax and also by the port of St. John in winter and by the Canadian ports on the St. Lawrence in the summer.

There is one other set of figures that I want to place before the House; they are from a return brought down in connection with imports and exports via the Canadian National through the ports of Portland, St. John and Halifax in 1922 and 1923. The figures are as follows:

	1922	
Canadian National—	Imports	Exports
Portland	787,739	121,658
Halifax	594,508	104,786
St. John	392,151	159,433
	1923	
Portland	810,667	121,879
Halifax	602,210	106,765
St. John	381,624	161,123
Canadian Pacific—	1922	
St. John	798,033	373,929
	1923	
St. John	929,882	393,107

It will be seen that as regards imports over the Canadian National, Halifax in 1922 had a balance of trade over St. John to the extent of 200,000 tons and in 1923 of 221,000 tons. So that from these figures, on the whole the port of St. John is on an equality with the port of Halifax—perhaps a little better than Halifax, because through the Canadian Pacific they get both imports and exports and that equalizes the falling off of traffic as between the two ports and gives both an opportunity to develop as they should as sister ports in the Maritime provinces.

In view of the statements I have placed before the House to-night—and I must apologize for having kept the House so long—

Some hon. MEMBERS: Hear, hear.

Mr. FINN: Well, I may say to my hon. friends who say "hear hear", that I have not transgressed any rule, if there is any rule in this House—

Mr. FORKE: There is no rule.

Mr. FINN: Since I have had the honour of occupying a seat in this House I have spoken only once, at four o'clock in the morning, for ten or fifteen minutes, and I have not since that time, except to interject a remark or two, taken up any of the time of the House. I felt here was an opportunity to deal with the situation in the Maritime provinces, and to give hon. gentlemen in the Progressive party who represent our Canadian West in this House an opportunity of hearing some of the things we expect to have done and some of the things that are being done and that we are helping to do. I regret exceedingly that when the representatives of the Progressive group were in the city of Halifax, through a loss in my immediate family I was unable to extend to them a hearty welcome, but I called at the provincial parliament buildings and through Mr. McBride expressed my regrets at being unable to greet them personally. I should have liked to show them in a kindly way some of the advantages of Halifax, which I know was done by the hon. member for Halifax (Mr. Black) during their stay in our city.

In conclusion, I wish to say that there are a few things we desire the government to do at the earliest possible date. Our terminals at Halifax are not completed. There is a difference of opinion as to whether the money that was spent was spent in the right place or not, but the stage for questioning that has passed. With these ships calling at the port of Halifax, and with immigrants pouring in through that port and being carried over the Canadian National railways, it is necessary that the immigration sheds at the south end pier should be completed at as early a date as possible. The landing quay is 2,500 feet in length and will accommodate three ships alongside, each from six to seven hundred feet in length. It will accommodate their passengers and the freight they have. Pier No. 2 is the most up-to-date pier either in the United States or Canada. It was built during the time the Minister of Finance (Mr. Fielding) was Acting Minister of Railways, and I have not the least hesitation in saying that if the plan of the then Minister of Railways had been carried out and the terminals had been built in the inner harbour, we would not have had the condition we have to-day as regards the south end terminal, but as I say, the time for discussing that has gone by. I would like the government to give consideration at the earliest date possible to the finishing of these sheds in order that we may have the facilities to handle the passenger and freight traffic that is coming into our port.

I might say further that when the elevator is built and ocean steamships can get at Halifax the basic cargo of wheat which they all need, it is my hope and belief that these ships that are now going on to Portland will make Halifax their port and get their basic cargo there, and thereby save two days on the round trip. Coming into the port of Halifax is a day shorter for the ships than to go to Portland, and they save a day going back to the Old Land, or two days on the round trip. That is a tremendous saving to these high-powered ships of great tonnage, which are run at great expense. But if the basic cargo of wheat can be provided at Halifax these ships will of necessity make Halifax their home port on this side of the Atlantic, and in that way employment will be given to our stevedores, the ships will buy their supplies in Halifax, and the crews will spend their money in our city and some of the prosperity of the old days will come back. I say that with good hope because it would mean a saving of a whole month during the year to the steamship companies. Each ship would be able to make two trips more in the year. If that is so, with our facilities at the port of Halifax, and with the freight rate to Halifax the same as to Portland there is no reason why we should not come into our own.

I place these matters before the government and I hope they will receive fair consideration and action. I know that the revenues of this country are used almost to the limit. I am not going to ask for impossibilities, but surely if our railroads are going to bring returns and help reduce the deficit, this will be money well spent, and a penny spent wisely is spent well. I thank you, Mr. Speaker, and hon. members for listening to me at this length to-night. My only justification is my interest in the Maritime provinces. I have tried to place before you some of the reasons that have actuated me in the action I have taken, both as a member of the legislature and government of Nova Scotia, and also as a member of the Parliament of Canada, as a trustee not only for the people of Halifax but for the people of Nova Scotia. Let us all look forward with the hope of a united Canada, a hope that will mean much to us on this side and hon. gentlemen opposite.

Mr. WILLIAM ELLIOTT (South Waterloo): Mr. Speaker, after listening for three hours and thirty-five or forty minutes to the address from the hon. member for Halifax (Mr. Finn), I have come to one or two conclusions. The main conclusion which I have arrived at is that the competition has shifted

from Toronto to Halifax. My second conclusion is that it will take much water to wash the linen of New Brunswick and Nova Scotia, although perhaps I should not include New Brunswick in that statement. There is still another thought suggested by his speech, and that is if the hon. member had a real province to talk about, how long would he talk?

Perhaps it is not too late—I do not refer to the time of day—for me at this stage to offer my congratulations to the Acting Minister of Finance (Mr. Robb). He certainly set a wonderful example of brevity in presenting his budget to the House, and by the way the lesson presented by the Acting Minister of Finance has been totally lost on the "minister for Halifax".

Let me likewise express the hope that the Minister of Finance (Mr. Fielding) will speedily be restored to health, and that he will in the immediate future be able to take his place on the government benches in this House.

I wish to say at the outset that in the remarks I have to make, and I am going to be as brief as I can, which will probably be good news, I am going to speak entirely for the constituency which I represent. I am dissociating myself with any party in this House, and that, by the way, is becoming quite a common practice. The hon. member for Springfield (Mr. Hoey) made it quite clear to the House that he was as free as the winds that blew over the western prairies, and much to my surprise the hon. member for East Elgin (Mr. Stansell), I think, arose in the House and proclaimed almost the same sentiments. I shall claim the same liberty in the remarks I am going to make. I feel that some things I am going to say will perhaps not be acceptable to all members of this House, but what I wish to do is to express the opinion of the constituency I represent, and express it just as clearly as I possibly can.

Before, however, beginning on that I wish to say that I am sure this country is pleased to find that we have already reached the stage where the finances of this country are at least balanced. The Acting Minister of Finance in his presentation showed not only a balanced budget, but a surplus. That to my mind is one of the things which this country has been looking for and expecting for many years, and I am sure the country owes a debt of gratitude to the government in that regard.

One or two other matters have occurred to me in connection with this budget. First, I would say that the sales tax reduction on a great many articles, and on the necessities of life, does not go far enough. We have one article which enters into the construction of the homes we live in—that is lumber—from which the sales tax has not yet been eliminated. It seems to me that this is a very important matter. Lumber is a very necessary article. The cost of building our homes has reached a tremendous figure, so much so that we are finding it very difficult year by year to engage in such work, and any reduction which could be brought, through the abolition of the sales tax as it applies to lumber, would be very acceptable, I am sure, to the great mass of the people of Canada. The constituency which I represent contains, perhaps, one of the greatest combinations of agriculture and industry in the Dominion. We have a population that is very dense, although the constituency is very small; its dimensions are only about twelve miles by twenty-four so hon. members will see it is very compact in character. In the county of Waterloo we have two cities, the county is the only one in the Dominion to enjoy that distinction. As well as these two cities there are a great many small towns and villages, all of which are large industrial centres. Coming back to the agricultural situation again we find that those engaged in agriculture there are perhaps in a little better position than they are in most other parts of the Dominion. There is not a spot in the riding from which we cannot, in one hour's ride, reach three or four large cities, as well as a great many small towns. Galt, Kitchener, Guelph, Brantford, Hamilton, and Stratford, all cities with a large population, can be reached from any part of the riding in just about an hour's trip by car. This means that the farmers in that part of Ontario are engaged in what we call diversified farming—the true type of mixed farming. About 80 per cent or four fifths of the products of these farmers are all disposed of in the towns and cities that surround the district. Now, when you go out and tell those farmers that their home market is no good you have got a job on your hands. Speaking of those farmers I want to say that their home market is a real market, and I cannot stress that point too strongly here to-night. Of course that is a special condition. I know that situation does not exist in the West, nor does it exist in a great many other parts of Ontario, nevertheless in the riding for which I am speaking to-night it is a real factor and a factor of which we are particularly proud. So I have come to this conclusion, as I am sure a great many others have, that you cannot injure agriculture, you cannot do anything that will lessen the buying powers of the farmer, without injuring the industries in the towns and cities. On the other hand you cannot do anything to injure industry with-

out injuring the farmers. This is not only true of the constituency which I represent but it is applicable throughout the entire Dominion. If we are going to accomplish anything in the way of getting together and formulating a policy that will be acceptable to us all we simply have got to forget our occupations and resist any desire to legislate simply for industry or for agriculture—we have got to get together and agree upon some plan that will be acceptable to the great mass of the people. Unfortunately this has not been done; and when I listen to the speeches pro and con in this house it does seem to me there is a lot of talking going on that is increasing the breach between agriculture on the one hand and industry on the other, whereas our efforts should be devoted to bringing the two together. To my mind that is one of the important things we have got to do. We must get together on this question and formulate a policy that will be in the interest in the whole Dominion. So much for agriculture.

Up to the present time the budget that has been presented by the Acting Minister of Finance has been one with which I can agree perfectly; it is a budget from which I think great good is going to come. We find that agriculture is going to be relieved of certain expenses which it has had in the past. I do not want you to think that we do not have any difficulties so far as agriculture is concerned in the riding which I represent; we have difficulties just as other places have, not as to what we have to sell but as to what we have to buy. We find, when we come to the markets to buy the necessities of life—for example our boots and shoes, our wearing apparel, our implements and so on—that they cost us too much money, they are too dear; and when we compare the prices we have to pay to what we have to buy we are right up against a problem which is a very difficult problem to solve. I notice that the provincial government in the province of Ontario have a commission going round at the present time in an honest desire, as they say, to try and solve the rural problem. To my mind it is quite a simple thing to find the trouble; the difficulty will be to solve the problem. I believe that marketing and marketing costs are, possibly, at the root of our troubles in Ontario to-day and not so much the tariff. If the tariff were wiped off our implements completely and off the articles of consumption I do not believe that it would make very much difference to us. But we have got to get cheaper transportation ,we have got to get cheaper articles of consumption one way or another, so that the price of what we have to buy will more nearly correspond to the price of what we have to sell. As I said up to the present time the budget is perfectly satisfactory. But I happen to represent a great many industries in the south riding of Waterloo. I am very proud of these industries and in talking over the matter with those engaged in them I find that their objection is not so very much to the budget as brought down as it is to the possible trend in which it is going. When we have the Minister of the Interior (Mr. Stewart) coming forward with the statement that this was a step that sounded the death knell of protection; when we have the Minister of Agriculture coming forward with almost a similar declaration, we are sometimes led to hesitate and wonder where we are going, what direction we are taking. I am perfectly willing that the tariff should be as low as possible, I believe in a low tariff, but I want that tariff to be a fair one. I believe in a fair and square deal not only for agriculture but for industry; and when we find that our manufactures to-day are right up against it in the way of hard times it is only with a good deal of hesitation that I am willing to accept the budget as it is brought down. If it is the intention of the government to go ahead with this process of elimination, if it is their intention to go ahead and gradually reduce the tariff on various articles—perhaps it would be boots and shoes next session or textiles—if it is the intention of the government to go ahead and do that I want to tell them frankly that I cannot follow them.

Mr. SUTHERLAND: Is that not the policy of the government and the party with which my hon. friend is identified? Is that not the doctrine laid down in their platform?

Mr. ELLIOTT (Waterloo): Perhaps my hon. friend is right. I do not wish to argue that point at this time. In talking to manufacturers I found one or two things bothering them very greatly. In the riding I represent we have a great many textile industries; in fact I am told by the woollen textile men themselves that I have more textile industries in the south riding of Waterloo than there are in any other constituency of Canada. If that is true—and I believe it is—I think it is my duty at least to see that these industries get a fair and square deal.

Coming back to the troubles which our industries have had in the past, especially the textile industry, I had reason to believe, as

I thought a great many others had reason to believe, that something would be done in the budget to deal with those countries which have a depreciated currency. This is a question which has been brought to the attention of the government so much and so often that I naturally hesitate to go over it again. I believe that if the government had dealt with those countries as they should have been dealt with, and placed their manufacturers on an equal footing with our own Canadian manufacturers, the woollen and textile men of Canada would be fairly well satisfied. The question of depreciated currency is going to be rather a serious one. Reading from the Yorkshire Post, which by the way is a Conservative paper, I find the following:

> Not only have the British manufacturers felt the competition of the French woollen textile trade because of low prices through the depreciation of the French currency, but the manufacturers of Canada have suffered likewise.

Now, Mr. Speaker, that shows that even the textile manufacturers of Great Britain, who have perhaps one of the greatest organizations in the world to-day in that line of manufacture, are feeling the effects of the depreciated currency of other countries. If those men feel the effects of depreciated currency in England, what must the effect be in Canada? I would like the government to deal with this matter. I think it is a serious question; besides it is something that is not fair. We have the British preference with Great Britain. If we allow Great Britain, for instance, to compete in the markets with our Canadian manufacturers of textiles, with their depreciated currency and with the low wages which they pay in England, and allow those articles to come in here and drive our Canadian workmen and our Canadian manufacturers out of business, I think it is a serious question for Canada, and I know it is a serious matter for the constituency I represent. It is all very well to say that these men ought to be able to compete with the world. But there is this viewpoint—and it is the same in all industries—that these industries are established and, are here already, and it would be a hard proposition to say to these men, "We do not want you, we will drive you out of existence". I do not think the government would take that view; in fact, I know they would not. Therefore, I hope that nothing further will be done in the way of increasing the British preference in regard to our woollen industries, until the whole question is properly investigated and we understand the situation fully.

We have in the constituency which I represent a great many boot and shoe industries. We all know that these men are having a hard time financially. Many of them are in difficulties. I have a letter which I received from one of the manufacturers in South Waterloo, which is perhaps of interest and from which I will read a few extracts. The letter says:

> So intense is competition amongst the 170 or more firms in Canada that no less than 25 shoe manufacturing concerns failed last year, and the casualty list since the war now exceeds 70.

Sometimes we are met with the statement that these men are profiteers, and that they are not operating their factories on an economical and business basis. Well, after we have presented all our arguments in this regard, the fact remains that these men are financially up against it. I do not think it is the intention of the government to say to these men, "We are going to still increase the British preference and make it harder for you to do business". I think that is the view-point we must consider; and in this industry, until we know the facts of the case until this question, as well as other questions, are investigated by a properly constituted commission appointed to inquire into them we should not make any changes in our customs tariff.

Now, Mr. Speaker, I sometimes think that the Canadian Manufacturers' Association are responsible for a lot of the troubles we have in Canada to-day. Some way or other the people of Canada—and I think with some degree of justification—have got it into their heads that the manufacturers have not been dealing fairly with them. I believe they have that idea in their minds, and whenever the Canadian public get an opportunity they are quite ready to swat the first head they come across. When we see the extreme demands of the Canadian Manufacturers' Association, it only alienates support. If they would come before the people and government with a reasonable proposition, something that was in the interests of the whole of Canada, and not merely in their own interests, I know that the people would respond; and it would go a long way towards gaining sympathy for the manufacturers. Unfortunately, however, they have been following a policy that has more or less alienated support, and they are to blame very largely for a little of the unrest, suspicion and distrust in the minds of the Canadian public to-day.

There is another very important feature of this question which I think should not be lost sight of, and that is the investment which

labour has in this country. It is all right perhaps to put an industry out of business. It is all right to go to that industry and say, "We are going to reduce the tariff and going perhaps to make it a little harder for you to carry on." Well, it might be said that affects the industry alone; but wherever industry is established we have a great many workmen, as for instance, in the riding I come from. I represent thousands of workmen who have become good Canadian citizens, men who have a stake in the country, who have, through their toil, built homes for themselves, bought real estate and property, and who own a very large percentage of
12 m. the property in the constituency. That is an investment which is too often lost sight of in dealing with public affairs.

These men are entitled to somewhat fairer treatment than they have received in the past, and if the government and its officials would pay more attention to this phase of the question and accord them a little more consideration when our policies are being framed there would be a good deal more satisfaction. In the riding which I represent a great many of the factories are idle, a great many of the looms are out of commission, and I know that dozens of men, whole families, entire connections—sisters, cousins and aunts—have all gone to the republic to the south, having sold their properties and left the work in which they have been engaged over here, in order to take up new positions in the United States. This is a distinct loss to the community, for these people were good Canadian citizens; and this is of course one of the conditions with which we are faced to-day. I do not say that the government can prevent this because there is a natural drift back and forth between the two countries. Personally, I believe that eventually a good many of these people will come back, but at the same time just at present it is a very considerable loss to Canada for our citizens to emigrate to the United States.

Mr. WHITE: Does the hon. gentleman think that a higher tariff would be of benefit?

Mr. ELLIOTT (Waterloo): I do not wish to enter into an argument on that question to-night.

Mr. SPENCE: You do believe it, though.

Mr. ELLIOTT (Waterloo): I will tell my hon. friend some other time. I come now to the consideration of what I regard as one of the most important matters before the people of Canada to-day. I have no doubt that there is a great difference of opinion in this respect, but it seems to me beyond question that there is a great demand throughout the province of Ontario for a better system than we have had in the past of securing the information which we require in order properly to formulate our tariff policy. There is, I say, an insistent demand all over the province in this regard; and I refer particularly now to the appointment of a permanent tariff commission. I do not say that the appointment of such a body would get rid of all our tariff troubles, but certainly it would afford the people and the government a means of obtaining some facts which I do not believe they possess at the present time. I firmly believe that a tariff commission would be of considerable advantage. In the year 1912 when Sir Robert Borden introduced the bill which at that time embodied a permanent tariff commission, that measure passed the House of Commons but was thrown out by the Senate.

Mr. HARRIS: Did it pass the House of Commons as brought down?

Mr. ELLIOTT (Waterloo): Yes.

Mr. HARRIS: I beg to correct the hon. gentleman; it did not.

Mr. ELLIOTT (Waterloo): I have the bill here before me; it is No. 88 in the bills of the year 1911-12.

Mr. HARRIS: Let the hon. member read the amendments and he will find that this particular bill did not pass as brought down.

Mr. ELLIOTT (Waterloo): I read the debates that took place at the time and I am not aware that very many amendments or any serious changes were introduced. I understand that the bill was passed by the House of Commons as submitted, but I may possibly be wrong in that respect.

Mr. HARRIS: It was passed with amendments.

Mr. ELLIOTT (Waterloo): I may be wrong, but that was my understanding at any rate. However, the bill was thrown out by the Senate largely because there was no public demand for it. It was contended that the people had not asked for it, that nobody wanted it, and that it was merely a subterfuge on the part of the government of the day to evade responsibility in the framing of the tariff policy at that time. It seems to me that there is a good deal of misconception as to the functions of a commission of this kind. The other day in this House a question was asked by one hon. gentleman of another whether he considered the commis-

sion appointed in 1920, of which the ex-Minister of Finance (Sir Henry Drayton) was chairman, and which toured the country from coast to coast, a real tariff commission. Well, personally I do not call that investigating body a tariff commission; I call it a tariff committee. And more than that, the evidence which that commission took was not of such a character as a properly constituted commission, such as I have in mind, would hear. Hon. gentlemen should not confuse the work of a real tariff commission with the investigations of these committees that have been appointed at various times. Both Liberal and Conservative governments in the past have appointed committees that have toured the country for the purpose of ascertaining the feeling of the people with regard to possible tariff changes; and the very fact of such investigations have shown the need of something of the kind. We have had governments appointing commissions that have travelled around the country at much expense, and this very fact is an admission on the part of those governments, both Liberal and Conservative, of the need of an investigating organization of this character. There is no question about that.

Mr. HARRIS: Is it a fact that the leader of the Progressive party in the Upper House vigorously opposed the tariff commission in this House in the session of 1911-12, and still holds the views he expressed then?

Mr. ELLIOTT (Waterloo): I suppose the hon. member is right; but I am not responsible for the views which any other hon. gentleman either in this House or out of it may hold.

Mr. HARRIS: Is the hon. gentleman a member of the party to my left which is led by the hon. member for Brandon (Mr. Forke)?

Mr. ELLIOTT (Waterloo): Mr. Speaker, in my campaign of 1921 I accepted the Progressive platform with certain reservations. On every platform on which I stood up to address the electorate I advocated the appointment of this tariff commission for two or three reasons. And since then on various occasions, whenever I have had an opportunity, I have never failed to stress the importance of the matter. I have taken this ground, that I was opposed not only to an increase but also to a decrease in the customs tariff until the whole question should have been referred to a properly organized commission. And the views I expressed in that regard at that time I hold to-day. I have received great encouragement from the different organizations within my riding in connection with this matter; I have letters from the Chamber of Commerce of the city of Galt, from the Trades and Labour Council of South Waterloo, and from the Town Council of the town of Preston, besides, as far as I know, from every organization within the south riding of Waterloo. They have all endorsed my position on this question. Moreover, I have resolutions from the Brantford Trades and Labour Council as well as from a great many other bodies throughout the province of Ontario endorsing the stand I have taken. I am convinced therefore that there is great need of such a tariff commission as I suggest, and without doubt the people are realizing that need as they have never done before. I hope, then, that the government will take my advice, although I do not suppose that they will; they never do. If they will take my advice they will immediately proceed to form such a commission, and I feel safe in saying that a bill for the purpose would be supported by a large majority in this House. I have been particularly insistent in emphasizing my position for several reasons. One is that my party's platform contains the following clauses:

> That all corporations engaged in the manufacture of products protected by the customs tariff be obliged to publish annually comprehensive and accurate statements of their earnings.

And:

> That every claim for tariff protection by any industry shall be heard publicly before a special committee of parliament.

That calls practically for just what I have been advocating for a great many years. In fact the demand has been coming from all over the Dominion, for the great mass of consumers are realizing the importance of this question. Therefore, I hope the government will deal with it as I have suggested, and I think such action would be received very gratefully throughout the country.

I do not wish to detain the House any longer. I have spoken very hurriedly and have tried to present my views in as few words as possible. I repeat that I have on many occasions voiced my opposition to an increase or a reduction in the tariff until the whole question has been referred to a properly organized commission. I am still of that opinion, and therefore I do not see how I can support the budget as brought down by the government.

Mr. JOHN HUBBS (Prince Edward): Mr. Speaker, I see very little in the budget proposals that will be of much interest or advantage to the people; on the contrary, I think in the main they will be detrimental to the best interests of the nation. It is true

the elimination of the sales tax on farm implements and its reduction on boots and shoes will be of some benefit to the people. But if the exorbitant sales tax has been found detrimental to business—and I do not think this will be denied—why did not the government take it off altogether? The sales tax is a nuisance. It is hard to handle, and is evaded in certain quarters.

Why should the sales tax be taken off farm implements and retained on canning machinery? A canning factory is certainly associated with the activities of farmers. Yet the man who equips such a factory has to pay 35 per cent duty plus 5 per cent sales tax on his machinery. Is it fair that this tax should be taken off farm implements and the duties lowered on those implements, while canning and other machinery are not given similar relief? Is it fair that the sales tax should be taken off mining machinery, and yet left on canned goods, boots and shoes and clothing that the miner has to buy? I might ask the same question with respect to logging machinery. It is purchased by large companies, yet the retail buyer of lumber has to pay the sales tax, and lumber is an absolute necessity in the building of our homes. To my mind a reduction of the duty on farm implements and on mining and logging machinery is where the trouble will arise. It will be remembered that two years ago when the British preference on woollen goods was increased by 2½ per cent no one thought it of much importance. A year ago the British preference was further increased by 10 per cent. It was strenuously opposed from this corner of the House, but no one expected that it would be so disastrous to our woollen industry, yet it has resulted in half of our woollen factories closing their doors or going into liquidation. I am afraid that a lot of our implement manufacturers will be in a similar position within the next two years. Recently I saw a letter addressed by a manufacturing firm in Toronto to their agent in my home town, instructing him to dispose of his samples and return his sample cases because the budget proposals had forced them to close their doors.

Mr. ROBB: Will my hon. friend give me the name of the firm?

Mr. HUBBS: I did not take it down, but I can get it for the minister. Naturally one would have thought the government with its knowledge of the unsatisfactory results following the French treaty, which has reduced our revenue within the last year by nearly two million dollars—practically all on luxuries as pointed out by the hon. member for Lincoln (Mr. Chaplin)—and the disastrous results following the increase of the British preference would have tried to rectify those errors instead of proposing the tariff reductions contained in the budget. The hon. minister tells us that by lowering the tariff and allowing the Americans to flood our markets he will bring prosperity to Canada. Has that been our experience in the past? If reducing the tariff is such a good thing, why not accept the amendment of the hon. member for Centre Winnipeg (Mr. Woodsworth) and make everything free—why not hand Canada over to the United States in a lump instead of piecemeal, and be done with it?

Mr. GRAHAM: Where is that flag?

Mr. HUBBS: We will soon be an adjunct of the United States anyway—at least, a dumping ground for their surplus products.

Mr. MOTHERWELL: It is pretty hard to warm up that old yarn of 1911 over again.

Mr. HUBBS: The hon. Minister of Agriculture says that it is pretty hard to warm up the argument of 1911. Well, Mr. Speaker, I would prefer the Reciprocity agreement of 1911 to this budget, for under reciprocity we would have got something for our money; but the country gets nothing out of the budget. The sole advantage accrues to the government, which gets the votes of hon. members to my left to keep them in power for another couple of years. There is one thing sure, the people are not getting anything out of the budget.

Mr. BEAUBIEN: Did not the party with which the hon. gentleman is associated tell everybody throughout the whole Dominion in 1911 that we were giving Canada away and getting nothing for it in return?

Mr. SPENCE: Reciprocity was wrong then, and lowering the tariff is wrong to-day.

Mr. HUBBS: My hon. friend from Parkdale has answered the question. In the 1911 campaign the slogan of the Liberals was, "Down with the big interests". I would say that they had certainly downed the big interests with this budget, and those who have not been downed will certainly be on the shelf and will not attempt to go ahead and build up the country as the needs of the country demand. Besides, has the United States ever given Canada anything? When the late government got reciprocity in wheat products and potatoes, you know what happened; as soon as it affected the farmers

of the United States, congress stepped in and not only replaced the former duty but made it higher than ever. I admit that the farmers of this country are having hard times; they are having difficulties, but where lies the remedy? Surely it is not in bringing European farmers here to grow more farm produce when we are unable to sell what we are producing at what it costs to produce it? Surely it is not in sending our boys and girls to the United States to get work, in closing down our industries so that our people cannot get work at home and must go somewhere else? Surely not in ruining what few industries we have and our all too-limited home market?

The hon. member for Brome (Mr. McMaster) made the statement the other day that in 1917 the president of the Massey Harris Company said he believed his company could make more money with the duty off farm implements, provided also that the duty was taken off the raw materials that went into the manufacture of same. I would suggest that the hon. gentleman get the president of the Massey Harris Company to repeat that statement now. I admit that the Massey Harris Company made a statement in the papers the other day, but I would consider that that was only good advertising. The Massey Harris Company know they are whipped but they are not going to take it without a struggle. I consider that that piece in the paper was only a bit of very good advertising. Now at the time the Massey Harris president made that statement there is no doubt that the Massey Harris Company was making money and the farmers were making money also. But the trouble with the farmers is that they did not save their money; like many of the rest of us, they spent it as it came, rather fast and rather easily; they put it into automobiles and luxuries as most of us did—we spent our money as we went along, keeping up with the Joneses. That is the trouble we find ourselves in to-day; our money is gone and when hard times come along we are not prepared to meet them. If you will show me a farmer who saved his money through those good times, did not buy automobiles, continued with his horse and rig and paid attention to his business, I will show you a man who is well to do and who is not worried over the troubles of to-day. I would not care if by ruining the manufacturers of this country we would build up Canada, but the experience of the world has been that to be prosperous the farmer, the artisan, the merchant, the professional man, must all work together in order to build up the nation. The unanimous opinion of the International Agricultural Institute at Rome is that one artisan will keep one farmer. That being the case what we want in this country is more artisans, and we cannot have them without more manufacturing; we cannot encourage industry unless we make it possible for them to compete with the highly specialized and highly protected industries to the south of us. Are we to part with our industrial communities in order to employ underpaid workers in Europe when the textile mills and the Canadian industries that have been a great factor in the building up of this country for the last fifty years are compelled to close their doors? It is not because Canadians are buying less goods, it is because the British, French and Germans can undersell us owing to their cheap labour and their depreciated currency. Our great trouble is not too high tariff, it is the lack of money and too high tariffs in other countries which make it impossible for the people of Canada to dispose of their surplus products. We have an over-production of farm products and, as is always the case when you keep a market flooded, the prices have to drop. The market of the farmers of this country is ruined before they get started. You can go right down into the stores of this city to-day and see American berries on sale. The market for berries, cherries, peaches and other things that the farmers of this province produce is killed before our berries and small fruits are ready for sale. During this past year hundreds of cars of eggs, butter, cheese, milk, pork and other produce have continuously been coming into this country. Why should we keep our tariff on these articles at about one-third of the United States tariff? What we need in this country is a good, constructive tariff, one that will protect the farmer as well as the manufacturer. We need more cities and a population in the urban centres to consume our surplus farm produce. What is the sense of bringing more farmers into this country and producing more when we cannot sell what we produce now at what it costs to produce it? And why allow United States farmers to take the cream off our markets for fruit and vegetables just because their season is earlier than ours? If the rich want fresh fruit and vegetables the year round, let them pay for them; place a duty high enough that the government will get the benefit and the general burden of taxes will be lessened. Why allow the United States, or any other country for that matter, to dump goods into Canada that can be produced here, unless they at least

pay a duty equal to the duty charged us in their country? Why continually buy from the United States and pay them a bonus for accepting our money? At present there is a discount on our money of about 3 per cent. Last year, ending in February, we bought from the United States goods valued at approximately $603,000,000. Had that rate applied on the whole amount we would have paid them in bonus $18,090,000, over half enough to build all the branch line railroads contemplated this year by the government, or nearly four times the cost of completing the Hudson Bay railway.

Mr. RYCKMAN: And thirty times what it costs to complete the tower.

Mr. HUBBS: True, Mr. Speaker. We get a certain amount of that back, but I hate to think that our money is not just as good as United States money, and if the people of this country would quit buying stuff from the United States and buy Canadian stuff—

Mr. FORKE: Is it the farmers who are buying American raspberries and that sort of stuff?

Mr. BOYS: Quite a lot, and you know it, too.

Mr. HUBBS: As I said, I hate to think that our money is not equal to theirs, and if our farmers and the people in our cities and towns would quit buying from the United States, and buy Canadian stuff instead, we would soon get the exchange at par. Take our own restaurant in this building. We are eating American canned goods and French peas, "petit pois," when our own factories in Canada produce goods equal in quality, if not better, and yet our government even is setting the example in buying American goods.

Mr. GRAHAM: That is not the government, but a committee of the House.

Mr. BOYS: But the government have the majority on it.

Mr. HUBBS: There was a time when Canada manufactured practically all the binder twine used in this country, when we had twenty-three firms manufacturing this product in different places throughout Canada, but today owing to the removal of the duty we have only three firms manufacturing binder twine in Canada. It is practically the survival of the fittest. These firms are supplying less than two-fifths of the binder twine used in Canada, and the farmers are paying more today for binder twine than they did before the duty was removed. The same applies to the wool industry, the implement industry, and in fact to all industries in this country where the duty is removed. Why not deal with the United States, with France and England, in fact with all nations, in a business way? Surely none of these nations allow sentiment to interfere with their business with us. Self-preservation is the first law of nature, and we should give them the same treatment they give us. How can we barter with these nations when we have no tariff to barter with? Is Canada forever to be the dumping ground of the United States and European nations? I think it is time we took a tumble and practised a little business ability like our neighbours. One lumber man of this city told me the other day that a few years ago he saw a chance to sell some box shooks in the United States. "I succeeded in placing an order for six cars," he said, "and I shipped one car over. Two days after, a United States official called at the plant and wanted to know what these shooks cost me. I told him and then he wanted to know what they were made of. I took him out into the yard and showed him I made them out of the short ends that always accumulate in a lumber yard, and he went away satisfied apparently, but I just managed to get one car more over before I was stopped, and the other four cars had to be cancelled." That is the way they do business.

Mr. STEWART (Leeds): Why was the balance of the order cancelled?

Mr. HUBBS: They raised the duty, because it was interfering with their business in the United States. I might say further that a merchant in my town told me the other day that that week there had been two travellers there with woollen goods and one of them did not have any Canadian samples, and the other only had two or three. He said, "Furthermore, one of our big clothing manufacturers told me he had sent all his patterns to England, and was having his orders for clothing made up there on account of the cheap goods and cheap labour." Now is that good business for Canada? Are we ever going to build up Canada so long as we let down our industries and force our people out of this country? I would like to ask the government, if low tariff is such a good thing, why has not the United States adopted it and other nations of the world? Surely all the brains are not in this government. The United States tariff is in practically every instance three times higher than ours, yet they are enjoying prosperity, while if we are to accept the voice of hon. members to my left Canadians are starving.

If Americans are not prosperous why are our boys and girls going over there at the rate of fifteen to twenty thousand a month? Why not admit the true situation and follow the example of practically every nation in the world to-day and put on a tariff that will mean something, a tariff that will give confidence not only to the people of Canada, but also to other nations so that people will come and settle in this country and help to develop our great natural resources.

We have in Canada to-day legislation and railroads to meet the needs of a population of fifty millions of people, and the eight million people we have are obliged to pay the taxes and carry the load that fifty millions of people should be carrying. If the government would adopt a policy that would give confidence and work to the people of this country, instead of our people going to the United States, the Americans would be coming over here.

At the present time, Mr. Speaker, we are allowing American publishers to flood this country with magazines and periodicals, which are doing nothing more nor less than educating our boys and girls to become citizens of the United States; and not only that, but hundreds of thousands of dollars are going out of this country annually to the United States to buy perfumes and cosmetics advertised in these same journals. Let the government put a prohibitive duty on these magazines and encourage the publication and the reading of Canadian magazines. Educate our people first of all to be Canadians, and you will have less demand for free trade in this country.

There is just one thing I overlooked—I do not want to detain the House as it is getting late. But, instead of the sales tax, and instead of the troublesome income tax that bothers everybody in making up their returns, and which some pay and some do not—keeping a record of everything sold makes an endless amount of work—I would say if the government have got to raise money—and they must do so to pay off the debt of this country—the only fair way to do it is through a land tax. I know it would be hard, I know a lot of people will object to that, but it is a most simple tax to collect, and it is easily collected through the municipalities. The man who has land or property pays the assessment and the poor man who is living in a rented house and is struggling to get along, has no tax to pay. This sales tax hits the man who can least afford to pay; it hits the labouring man, the consumer, on his clothing, on his boots and shoes, on his canned goods, on everything that he has to buy, and he is the man that can least afford to pay the tax. Therefore I say the government should consider some other form of taxation.

Now, Mr. Speaker, I must say that I am entirely opposed to the budget. Let me emphasize again, what we must have in this country if we are going to build up Canada, is a good constructive tariff. If I had the framing of it I would say put on a tariff so high that nobody could fly over it with an aeroplane and so deep in its foundations that a submarine could not dig under it.

On motion of Mr. Preston the debate was adjourned.

On motion of Mr. Graham the House adjourned at 12.45 a.m.